

**EXPLORING INVESTOR PERCEPTIONS: A SURVEY-BASED EVALUATION OF IMPORTANCE, SATISFACTION, AND INVESTMENT OBJECTIVES****Dr.Trinadha Rao Challa,**

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An investor plays a crucial role in the financial markets as a key participant in the allocation of capital. By committing their financial resources to various assets such as stocks, bonds, real estate, or startups, investors provide the necessary funding for businesses and projects to thrive. Their decisions are driven by a combination of financial goals, risk tolerance, and market outlook.

Investors also contribute to market liquidity, as they actively buy and sell assets, facilitating price discovery and ensuring a fair and efficient marketplace. In doing so, they influence the overall direction of asset prices and can impact economic growth. Additionally, investors bear the risks and rewards associated with their investments, which can range from long-term wealth accumulation to short-term profit-seeking, making them an essential component of the global financial ecosystem.

**STATEMENT OF THE RESEARCH PROBLEM:**

The process of financial reforms implemented in the country has created remarkable changes in various aspects of Stock market, in particular, has undergone a radical transformation both in terms of size and automation and is now comparable to the developed markets with respect to turn over, market capitalization and efficiency.

India ranked second in terms of number of listed companies (1923 Dec-2018) in NSE, next only to the USA (4,397 for the year 2018). But, the success of the stock market developments practice should not be viewed from the angle of how much amount of money is being turned over or how much portfolio investment flows in. The real test is how much benefit all these developments bring in terms of market growth, including simplification of investment procedure, savings mobilization and capital formation. Successful financial reforms should result in strengthening the ability of authorized body to do what they need to do by helping to generate higher growth, higher revenues and higher productivity.

The present study attempts to find out whether the stock market of the country is just a burgeoning casino or a meaningful institution that influences the real economy. Specifically the study attempts to capture the link between Stock market developments in India in the post-reform period and its influence on behavioral aspects of retail investors. The present study reveals that some basic aspects- the link between stock market development and long term economic growth, the causal relationship between stock prices and major macro economic variables, and how the stock market developments are showing

impact on retail investors in terms of decision making, investment preference and risk hedging patterns etc.

**OBJECTIVES OF THE STUDY:**

The present study is aiming to investigate the investor’s perception towards investment in Equity market in north costal Andhra Pradesh and the objectives are

**To examine the impact of secondary market developments on retail investors.**

**METHODOLOGY:**

The study is empirical in nature. A survey has been conducted for the collection of primary data. The survey is confined to Visakhapatnam, Vizianagaram and Srikakulam Districts only. A well structured questionnaire is planned to use and elicit the information from the respondents.

**SAMPLE SIZE:**

The total retail investor population in three districts (Srikakulam, Vizianagaram and Visakhapatnam) in Coastal Andhra Pradesh is 4180. The researcher have used simple random sampling technique method and collected 418 samples.

DISTRICT	TOTAL RETAIL INVESTORS POPULATION		RESPONDENTS CONSIDERED FOR THE STUDY (10% )
SRIKAKULAM	ANGEL BROKING	180	18
	IL&FS LIMITED	210	21
	STEEL CITY SECURITIES LTD.	240	24
	WAY2WEALTH BROKERS PVT. LTD.	170	17
	APOLLO SINDHOORI CAPITAL INVESTMENTS LTD.	120	12
	KARVY STOCK BROKING LTD.	250	25
<b>TOTAL</b>			<b>117</b>
VIZIANAGARAM	ANGEL BROKING	100	10
	STEEL CITY SECURITIES LTD.	170	17
	KARVY STOCK BROKING LTD.	250	25

	KOTAK SECURITIES LTD.	220	22
	APOLLO SINDHOORI CAPITAL INVESTMENTS LTD.	240	24
<b>TOTAL</b>			<b>98</b>
<b>DISTRICT</b>	<b>TOTAL RETAIL INVESTORS POPULATION</b>	<b>RESPONDENTS CONSIDERED FOR THE STUDY (10% )</b>	
VISAKHAPATNAM	SHAREKHAN LTD.	230	23
	RELIANCE SECURITIES LTD.	300	30
	MOTILAL OSWAL	250	25
	KARVY STOCK BROKING LTD.	270	27
	KOTAK SECURITIES LTD.	240	24
	BONANZA PORTFOLIO	250	25
	ANGEL BROKING LTD.	230	23
	STEEL CITY SECURITIES LTD.	260	26
<b>TOTAL</b>			<b>203</b>

**SOURCE:** AS PER THE RECORDS OF STOCK BROKING AGENCIES

**PERCEPTION TOWARDS INVESTMENT OBJECTIVES AND SATISFACTION:**

Regression Analysis: Satisfaction Level of Investment Objectives versus Age, Gender, Education, Occupation, Monthly Income and savings of the investor.

**PERCEPTION TOWARDS INVESTMENT OBJECTIVES AND SATISFACTION**

Predictor	Coef	SE Coef	T	P
Constant	4.1961	0.1134	37.01	0.000
Age	0.04390	0.01643	1.67	0.098
Gender	-0.10000	0.05167	-1.94	0.054
Education	-0.09082	0.01503	-6.04	0.000
Occupation	-0.02686	0.01125	-2.39	0.017

Monthly Income	-0.03954	0.01963	-1.95	0.052
Monthly Saving	0.01328	0.01701	0.78	0.436

R-Sq(adj) = 71.7% , P-value: 0.000

MLR(Multiple linear Regression) analysis was carried out to study and establish the relationship between the Independent variables (Age, Gender, Education, Occupation, Monthly Income and Monthly Savings) and dependent variable “Satisfaction level of Investment objectives ”. The R-square value (71.7%) reveals that there is a 71.7% variation was observed due to the demographic factors on the factor “Investment Objectives”.

It considers the regression equation in the model and examines the strength of the independent variables in predicting the dependent variable. It was assumed that there is a significant linear relationship between the demographic variables extracted above and their probability of association with statements related to factor “Investment Objectives”. Further, Age (0.098), Gender (0.054), Monthly Income (0.052) and Monthly Savings (0.436) does not play a significant role with regard to the above factor.

Whereas the variables Education (0.000) and Occupation (0.017) shows significant impact on the said dimension. Thus, for these variables ANOVA tests were carry forwarded to get to know which category of the respondents are opined more positively on this aspect.

**PERCEPTION TOWARDS  
INVESTMENT OBJECTIVES AND  
SATISFACTION WITH EDUCATION & OCCUPATION**

Independent Variables	Category	N	Mean	SD	F-Value	P-Value	Decision
Education	SSC	63	4.1464	.06566	35.453	0.000	Significant
	Inter	125	3.7644	.20863			
	Graduate	116	3.6676	.33042			
	Post Graduate	54	3.7243	.37926			
	Professional Degree	60	3.7981	.24075			
Occupation	Government Employee	113	3.8466	.19320	6.234	0.000	Significant
	Private Employee	175	3.7302	.31210			
	Business	33	3.9360	.43304			
	Professional Services	97	3.8030	.33043			
	Government Employee	113	3.8466	.19320			

The average opinion score of the respondents who were having SSC background are significantly having more positive opinion on investment objectives when compare with other four categories of the educational backgrounds i.e. the category respondents are more satisfied on investment objectives when compare with other categories at 5% level of significance.

Further, the average opinion score of the respondents whose occupation is business are opined more positive on investment objectives which depicts that this business people have more clear vision on investment objectives and which turns into more satisfaction level when compare with other categories of the occupation.

**PERCEPTION TOWARDS INVESTMENT OBJECTIVES – IMPORTANCE AND SATISFACTION:**

**INVESTMENT OBJECTIVES – IMPORTANCE AND SATISFACTION**

S.No	Investment Objectives	Type	Mean	SD	Z-Value	P-Value	Decision
1	Dividends Purpose	Importance	3.7608	.67158	-2.398	0.017	S
		Satisfaction	3.8517	.64374			
2	Capital Appreciation	Importance	3.7010	.77370	-0.191	0.849	NS
		Satisfaction	3.7081	.61241			
3	Quick Gain	Importance	4.2871	.83902	5.099	0.000	S
		Satisfaction	3.9617	.85296			
4	Liquidity Purpose	Importance	4.1603	.74309	3.681	0.000	S
		Satisfaction	4.0239	.48419			
5	Safety Purpose	Importance	4.1555	2.11702	1.238	0.217	NS
		Satisfaction	4.0239	.48419			
6	Tax Benefits Purpose	Importance	3.8517	.70081	-1.263	0.207	NS
		Satisfaction	3.9043	.61976			
7	Retirement benefits	Importance	3.9785	.86333	4.963	0.000	S
		Satisfaction	3.7321	.81648			
8	Meet contingencies	Importance	3.6507	1.09172	3.605	0.000	S
		Satisfaction	3.4809	.71023			
9	Hedge against Inflation	Importance	3.7488	.76904	1.358	0.175	NS
		Satisfaction	3.6675	1.00452			

The above table illustrates the perception of people towards investment objectives and satisfaction levels depending on the life stage and risk appetite of the investor, there are three main objectives of investment: safety, growth and income. Every investor invests with a specific objective in mind, and each investment has its own unique set of benefits and risks.

**Safety:**

While no investment option is completely safe, there are products that are preferred by investors who are risk averse. Some individuals invest with an objective of keeping their money safe, irrespective of the rate of return they receive on their capital. Such near-safe products include fixed deposits, savings accounts, government bonds, etc.

**Growth:**

While safety is an important objective for many investors, a majority of them invest to receive capital gains, which means that they want the invested amount to grow. There are several options in the market that offer this benefit. These include stocks, mutual funds, gold, property, commodities, etc. It is

important to note that capital gains attract taxes, the percentage of which varies according to the number of years of investment.

**Income:**

Some individuals invest with the objective of generating a second source of income. Consequently, they invest in products that offer returns regularly like bank fixed deposits, corporate and government bonds, etc.

**Other objectives:**

While the aforementioned objectives are the most common ones among investors today, some other objectives include:

**Tax exemptions:**

Some people invest their money in various financial products solely for reducing their tax liability. Some products offer tax exemptions while many offer tax benefits on long-term profits.

**Liquidity:**

Many investment options are not liquid. This means they cannot be sold and converted into cash instantly. However, some people prefer investing in options that can be used during emergencies. Such liquid instruments include stock, money market instruments and exchange-traded funds, to name a few.

The above table illustrates the satisfaction vs importance of different investment objectives. Dividends purpose investment objective has an importance level of 3.7 and satisfaction level of 3.85 which means the satisfaction levels are more significant than the importance levels. Capital appreciation has an importance level of 3.7 and satisfaction level also of 3.7 which means the importance and satisfaction of capital appreciation is equal which means it is a significant investment objective. Quick gain investment objective has an importance level of 4.2 and satisfaction level of 3.9 which means the importance level is higher and significant than the satisfaction level which means it is not significant.

Liquidity purpose investment objective has a level of importance 4.16 and the satisfaction of 4.02. In this case, the level of importance and level of satisfaction are almost equal, hence it is significant. Investment preference made for safety purpose has a satisfaction level of 4.0 to another level of importance is 4.15. Since the satisfaction level and importance levels are almost equal this investment objective is non significant. Tax benefits purpose and importance level of 3.8 and satisfaction level of 3.9 which means that people are more interested and dissatisfied with investing in for tax benefit purpose.

Retirement benefits investment objective has a level of satisfaction of 3.7 and the level of importance of 3.9. The difference between importance levels and satisfaction level is very negligible and hence it is significant. Investment objectives made to meet contingencies show an importance level of 3.65 and satisfaction level of 3.48. Again we can see that the satisfaction levels and importance levels are almost equal or the difference is very negligible and hence it is significant. Hedge against inflation has an importance level of 3.74 and satisfaction level of 3.64. As per the table this is also non significant.

People invest in dividends purpose, for quick gain, for liquidity purpose, retirement benefits and to meet contingencies. The above table shows people have a higher satisfaction while investing in the above options, which shows they are interested in income related investments. Capital appreciation, safety purpose and tax benefits purpose have lesser satisfaction levels among the people.

**PERCEPTION TOWARDS  
INVESTMENT OBJECTIVES AND  
SATISFACTION WITH PERCENTAGE SCORE**

Level of Importance					% Score	Investment Objectives	% Score	Level of Satisfaction				
VL	L	M	H	VH				HD	D	N	S	HS
0.2	1.9	30.1	56.9	10.8	69.02	Dividends Purpose	71.29	1	1	20.6	67	10.5
0.2	1.0	45.0	36.1	17.7	67.52	Capital Appreciation	67.70		0.5	36.1	55.5	7.9
	0.2	24.2	22.2	53.3	82.18	Quick Gain	74.04		1.2	34.7	30.9	33.3
	0.5	19.4	43.8	36.4	79.01	Liquidity Purpose	75.60	0.5	0.7	5.5	82.5	10.8
	1.0	17.9	55.3	25.6	78.89	Safety Purpose	70.57	0.5	1	40.4	32.1	26.1
0.2	0.2	30.9	51.4	17.2	71.29	Tax Benefits Purpose	72.61	0.2	1.4	18.7	67	12.7
0.5	0.2	34.7	30.1	34.4	74.46	Retirement benefits	68.30	0.2	0.7	46.7	30.4	22
0.7	24.4	5.5	47.8	21.5	66.27	Meet contingencies	62.02	0.5	1.2	58.1	30.1	10
	1.2	41.6	38.3	18.9	68.72	Hedge against Inflation	66.69	0.5	10.8	37.3	24.4	27

The above table focuses on the level of importance and the level of satisfaction on different investment objectives. As we can see, the dividends purpose has a level of importance score at 69.02 percentage. However, the level of satisfaction is at 71.29 percentage which means that dividends purpose investment objective has a higher level of satisfaction.

Capital appreciation has a level of importance at 67.52 percentage while the level of satisfaction is 67.70%. This means that capital appreciation has an almost equal level of importance and satisfaction levels among the investors. Investors who invest for quick gain show show levels of importance at 82.18 percentage while the level of satisfaction is 74.04%.

This shows that the level of satisfaction is very less in case of quick gain Investments. Investments for the sake of liquidity purpose has a level of importance and 79.01% and the level of satisfaction is 75.0 which is less. This also conveys that people who invest for the purpose of liquidity are not very much satisfied in doing so. In case of investments where the main objective is for safety or double income, the level of importance is 78.89% and the level of satisfaction is 70.57%.

This also shows that the satisfaction levels are less, which means people are not very much interested in doing investments for solely safety purpose. Investments done for tax benefit purpose has a level of importance at 71.29% and level of satisfaction it 72.61% which shows it obviously that people are more interested and have higher satisfaction levels for doing investments with a purpose of tax benefit.

Investors who invest in the stock market for retirement benefits have shown a level of importance of 64.46% while the level of satisfaction is at 68.30%. This also means that people with retirement purpose investment have a lesser level of satisfaction. Investments made towards meeting contingencies during the lifetime has shown a level of importance at 66.27 % and the level of satisfaction is 62.72%.

The investments done for the hedge against inflation has a level of importance at 68.72 percentage while the level of satisfaction is 66.69 percentage. This also shows the level of importance is higher than the level of satisfaction which also means people who invest for hedge against inflation are not very much satisfied.

**CONCLUSION:**

In conclusion, understanding investor perception, role, and objectives is paramount in the realm of finance and investment. Investors bring their unique perspectives, risk tolerance, and financial goals to the market, shaping the dynamics of asset pricing and allocation of resources. Their roles as capital providers, market participants, and risk-takers are integral to the functioning of financial markets.

Whether seeking long-term wealth accumulation, income generation, or short-term profit opportunities, investors are instrumental in the allocation of capital to fuel economic growth and innovation. Recognizing and comprehending the diversity of investor perceptions and objectives is vital for market participants, policymakers, and financial analysts, as it can help inform decision-making, enhance market efficiency, and foster a more inclusive and dynamic financial landscape.

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**ANNEXURE**

***Perception towards Investment Objectives and satisfaction***

State the level of importance and satisfaction of the following investment objectives. Please put  $\surd$  mark in any one 1.Very Low 2.Low 3.Moderate 4.High 5.Very High and also put  $\surd$  mark for satisfaction in any one 1.Highly Dissatisfied 2.Dissatisfied 3.Neutral/Undecided 4.Satisfied 5.Highly Satisfied.

Level of Importance					Investment Objectives	Level of Satisfaction				
VL	L	M	H	VH		HD	D	N	S	HS
					Dividends Purpose					
					Capital Appreciation					
					Quick Gain					
					Liquidity Purpose					
					Safety Purpose					
					Tax Benefits Purpose					
					Retirement benefits					
					Meet contingencies					
					Hedge against Inflation					