

Perception of Women towards Indian Stock Market with Reference to Demographic Factors

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ABSTRACT

The participation of women in the economy is important in order to enhance and contribute towards raising the economic potential of a country. Women invest in stock market because of high return, high liquidity, income stability and variety of benefits associated with stock market. As investment decision of women depends upon number of behavioral aspects like their understanding, perception, attitude and preferences which form their behavior. On the basis of these behavioral elements, women arrive at a conclusive decision such as whether to invest or not in a particular investment avenue. The basic factors that form the rational behavior of investors are investor's personal characteristics such as age, occupation, investments experience and income level of investors. The present study aims to identify the perception of women investors towards investment in Indian stock market with regard to demographic factors. A random sample of 400 women investors were selected from Haryana, India. To analyze the data, ANOVA were applied to investigate the difference between demographic factors and perception of women. The present research will assist not only the women investors but also the different financial institutions, investment consultants, stock broking houses and other participants of stock market in exploring the factors that influence the perception of women about stock market

Keywords: Demographics, Indian stock market, Investment, Perception, women investors

INTRODUCTION:

With a changing scenario, women have started actively participating in investing their surplus money, though it all depends upon the various parameters such as degree of their risk-taking capability, influence of family members and friends and the dare to get exposed to modern and innovative investment avenues. The involvement of women in business and finance has increased rapidly in the past few decades. The present woman is equally employed and has knowledge about various aspects of business and finance. Women take the active part in every affair of home.

The women are the almost half of total population and women are independent, educated and getting handsome amount of salary. Nowadays, women not only take the home oriented decision but also take financial decision independently. Due to higher qualification women own, they are enjoying higher post whether it is in corporate or other services. Today's women are financially independent and ready to pool their savings in a profitable avenue to maximize their wealth.

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aspects like their understanding, perception, attitude and preferences which form their behavior. On the basis of these behavioral elements, women arrive at a conclusive decision such as whether to invest or not in a particular investment avenue. The basic factors that form the rational behavior of investors are investor's personal characteristics such as age, occupation, investments experience and income level of investors.

The present research study focuses on the analysis of perception of women of Haryana region with regard to their demographics.

LITERATURE REVIEW:

[Saini et.al \(2011\)](#) analyzed the perception, opinion and behavior of investors towards various investment avenues like debenture, corporate bonds, bank deposits, mutual funds and other investment options. The authors concluded that investors must invest the money in such a way that they would get maximum assured returns on their investment. [Kukreja \(2012\)](#) measured the perception of the investors for investment in capital market. The present study has been conducted on 120 investors of NCR region. The finding suggested that age of the respondents significantly affects the investment decision and education also had significant impact. The study used 119 variables to examine the perception of investors and these variables ascertained 72% impact in measuring the perception level. The study concluded that investment benefits and influences had high relevance in stock market investment. [Jothilingam \(2013\)](#) explored the objectives of investors in Namakkal district towards investment. The results found that there is significant relationship between age of investors and their objective of investment. Education level and occupation of investors found to be statistically significantly related to their objectives for making investment. Moreover, there was statistical significant relationship between annual income of investors and the objectives of making investment. [Thulsipriya \(2014\)](#) aimed to elucidate the general perception of working women towards various investment avenues. It was evident from the study that women invest more in financial assets rather than physical assets. The results revealed that bank deposits are the most preferred sources of investment for women investors. Further, findings analyzed other factors such as age, income and education of investors which influence their perception towards investment avenues. [Geetha and Vimala \(2014\)](#) discussed the impact of demographic variable on the perception of women investors towards investment options. The findings reflected that there is significant impact of age on the investment decisions of women indicating that women have different investment choices with varying age groups. In addition to this, there found significant impact of occupation and income of women on the investment decision. Moreover, results showed that there observed no significant impact of marital status on the investment choice of women. [Ramanathan and Meenakshisundaram \(2015\)](#) analyzed the importance of demographic variables like age, gender, education, occupation and income of respondents. The study showed the positive correlation between income level of women and investment and women were aware about the choice of investment. They invest where they get maximum returns generally resulting into the asset creation for their safe future. The authors concluded that awareness programs are still needful for educating the women investors for stock market to make the investment climate attractive. [Marwaha and Arora \(2015\)](#) analyzed the perception of women investors in Punjab. A structured questionnaire was developed and administered to a sample of 207 respondents. The findings indicated that there is significant difference in the variables affecting the investment choices for gold and stocks. High return is observed as the most important variable affecting the investment in stocks whereas religious reasons is the least influencing variable for investment in stocks. The authors suggested that this research will be helpful for financial consultant and stock broking firms in understanding the perception of investors towards variables affecting their preferences. [Sowmya and Reddy \(2016\)](#) explored the perception of investors towards investments in various avenues. Data was collected from the 200 respondents of Hyderabad city, Telangana. The results of the analysis investigated that perception of investors differs accordingly on the basis of factors such as age, occupation, income level, experience and qualification. [Bansal \(2017\)](#) aimed to examine the investment behavior of working women in Ludhiana, Punjab. It was discovered that women in Ludhiana are still not aware about the financial instruments and do not know the benefits of investing money. Most of women investors opined that they select a particular investment instrument with motives of long term growth

and liquidity while some women investing money for children's education and marriage. The results showed that working women in Ludhiana have moderate awareness and knowledge about financial avenues. [Suneetha \(2018\)](#) attempted to understand the perception and expectations of investors towards risk and return in stock market. The findings of the study revealed that investors expect high return but very few investors were willing to take high risk whereas most of the investors preferred risk free investments with stable return. The study concluded that investors perceive that stock market is volatile market and unpredictable. [Lan et.al \(2018\)](#) attempted to explore the impact of demographic characteristics on investment decision. A survey was conducted on 9,000 individual investors across China. It was found that predicting and analyzing behavior of investors is of great importance to financial institutions. The findings concluded that investment decision is highly influenced by demographical factors such as age, gender, income, occupation, education and family income. [Disha \(2018\)](#) made an attempt to compare the perception of investors towards equity and derivatives. It was found that equity is regarded as better option for investment as compared to investment in derivatives. There are number of factors supporting that equity is better option for taking investment decision. The authors concluded that investors found derivatives more risky than equity. So, investors prefer to invest in equity.

[Parihar et.al \(2009\)](#) analyzed the impact of demographic factors on the perception of investors of Agra region. 200 respondents were selected for this research. The results expressed that majority of respondents have still not formed any attitude towards investment in stock market as investors are comfortable with their traditional sources like gold, bank deposits and postal scheme for making investment. The main reason behind the lower participation of investors in stocks was lack of awareness about the stock market and its activities. [Maini \(2019\)](#) assessed the awareness level of women investors towards investment in stock market. A random sample of 500 women investors of Punjab and Chandigarh was selected. The results indicated that majority of women investors were well aware about the nuances of stock market and the risk involved. Women investors are positive about the stock market and showed a higher degree of satisfaction but they are also unaware of many new instrument and regulating acts.

OBJECTIVES & HYPOTHESES:

- To identify the perception of women investors towards investment in stock market with respect to demographic factors.

In order to achieve the above mentioned objective, following hypotheses are formulated:

H1: Age of women has no significant impact on their perception towards investment in stock market.

H2: Marital status of women has no significant impact on their perception towards investment in stock market.

H3: Qualification of women has no significant impact on their perception towards investment in stock market.

H4: Occupation has no significant impact on the perception of women towards investment in stock market.

H5: Investment experiences have no significant impact on the perception of women towards investment in stock market.

H6: Income has no significant impact on the perception of women towards investment in stock market.

RESEARCH METHODOLOGY:

The survey was conducted on 400 women investors of Haryana. The data were collected from 450 women investors from the four major cities of Haryana, India i.e. Ambala, Panipat, Rohtak and Gurugram. Further, simple random sampling technique was used to select the list of regular women investors that have been obtained from the Stock broking firms. Thereafter, well structured questionnaire was administered personally to respondents. In first section, questionnaire contains six questions about demographics of women. Into the subsequent segment, seven questions relating to perception of women towards investment in stock market were formulated on five point Likert scale (Strongly disagree 5, Disagree 4, Neutral 3, Agree 4 and Strongly agree 5). Out of 450 questionnaires distributed, 400 complete and usable responses were used for analysis which represents an effective response rate of around 86% of the total sample. In addition, secondary sources including online research publications, articles, books, working and discussion papers were also used. Descriptive statistics and ANOVA were used to analyze the data.

DATA ANALYSIS:

Table I: Respondents' profile

Characteristics	No.	Percentage
Age		
Below 30	64	16%
31-40	122	30.5%
41-50	184	46%
Above 50	30	7.5%
Occupation		
Salaried	133	33.3%
Business	143	35.8%
Professionals	100	25%
Others	24	6%
Qualification		
Under graduates	43	10.8%
Graduates	178	44.5%
Post graduates	133	33.3%
Others	46	11.5%
Marital Status		
Married	196	49%
Divorced	42	10.5%
Single	129	32.3%
Widow	33	8.3%
Monthly Income		
Below 40,000	70	17.5%
40,000-60,000	195	48.8%
60,000-80,000	76	19.0%
Above 80,000	59	14.8%
Investment experience		
Below 5 years	64	16%
6-10 years	109	27.3%
11-15 years	127	31.8%
16-20 years	61	15.2%
Above 20 years	39	9.8%

Source: Primary survey

As shown in table I, about 16% of women respondents were of age less than 30, 30.5% of belong to age 30-40, 46% of women were of age 40-50 and 7.5% of women belong to age above 50. With respect to qualification, 10.8% were under graduate, 44.5% women were graduates, 33.3% held post graduate degree and 11.5% of respondents had other qualification.

Out of total respondents, 49% were married, 32.3% were single, 8.3% women were widow and 10.5% were divorced. With regard to occupation, about 33.3% of respondents were salaried, 35.8% women were doing business, 25% women were professionals and only 6% women were engaged in other occupations. 17.5% women respondents were having monthly income below Rs. 40,000 whereas 48.8% fell within Rs. 40,000-60,000, and only 19% women were having monthly income Rs. 60,000-80,000 and around 14.8% of women respondents were drawing income above Rs. 80,000. In addition, 31.8% women have experience of 11-15 years whereas 27.3% women investors have experience of 6-10 years. On the other hand, 16% women investors have experience below 5 years.

Table II: Perception of women towards investment in stock market

No	Statements	Frequency	Percent	Mean	S.D.
1.	Price fluctuation in Stock Market.	322	81%	3.89	1.13
2.	Regulated stock market	303	75.7%	3.75	1.24
3.	Corporate mismanagement and frauds.	267	66.7%	3.23	1.12
4.	Prominent brokers' services.	341	85.2%	4.19	1.26
5.	The DEMAT system is convenient	372	93%	4.27	.777
6.	Adequate and reliable portfolio management services.	353	88.2%	4.32	.775
7.	Dividends and bonus announcements.	321	80.2%	3.88	.818
	Average			3.93	

Source: Survey

Table II shows the descriptive statistics for each statement of ‘perception of women towards investment’ that supports investment behavior of women. The frequency, percentage, mean value and standard deviation of each statement were calculated. It can be observed that most of the women respondents agreed with the statement “adequate and reliable portfolio management services (4.32)”, “DEMAT system is convenient (4.27)” and “prominent broker’s services (4.19)” as mean value of these statements found higher. Women respondents opined that adequate and reliable portfolio management services are available and broker’s services are also prominent. In addition, women found DEMAT system more convenient. Most of the women respondents agreed with price fluctuations in market but they also opined stock market is regulated.

The average mean value (3.93) reveals the satisfactory response of women respondents which reflects women have adequate knowledge about stock market. It can be concluded that perception level of women towards investment found positive and ample as they are aware about the content and functioning of stock market. This result is confirmed by the progressive efforts being taken by women to make investment in stock market.

ANOVA was exercised to empirically test the distinction between demographical information of women and perception of women towards investment decision. In this context, following hypotheses were tested: **H1:** Age of women has no significant impact on their perception towards investment in stock market.

As shown in table III, the age variable was found to be insignificant as statistical result shows insignificant p value (.908) and the calculated F value (.042) is lower than table value. The results discover that there is not statistically significant difference between age of women and their perception towards investment. Therefore, hypothesis **H1** is accepted **H1:** Age of women has no significant impact on their perception towards investment in stock market.

Table III: Output of ANOVA for Age and perception towards investment

		Sum of square	Df	Mean square	F	Sig.
Perception towards investment	Between groups	1.456	3	.485	.042	.908
	Within groups	4545.415	396	11.478		
	Total	4546.871	399			

Source: Survey

Conclusively, it can be said that there is no significant difference between age and perception of women showing that age has no significant impact on perception of women towards investment. Hence, the results do not confirm the importance of age for influencing the perception of women for investment decisions.

H2: Marital status of women has no significant impact on their perception towards investment in stock market.

In table IV, statistical result shows p value (.065) between marital status of women and their perception towards investment and the calculated F value (2.432) is lower than table value. These results imply that there found no considerable impact of marital status on perception towards investment. Consequently, hypothesis H2 is accepted **H2:** Marital status of women has no significant impact on their perception towards investment in stock market.

Table IV: Output of ANOVA for marital status and perception towards investment

		Sum of square	Df	Mean square	F	Sig.
Perception towards investment	Between groups	82.270	3	27.423	2.432	.065
	Within groups	4464.601	396	11.274		
	Total	4546.871	399			

Source: Survey

It can be enunciated from the results that there is no significant difference between marital status of women and their perception towards investment suggesting that over the marital status classification of being single, married, widow and divorced there is no distinction in perception of women towards investment decisions. In this way, the results do not corroborate the importance of marital status needed for the perception towards investment decisions.

H3: Qualification of women has no significant impact on their perception towards investment in stock market.

In table V, result demonstrates the p value (.005) and calculated F value (145.026) between qualification of women and their perception towards investment which prove the significant impact of qualification on perception towards investment. These results signify that there is not statistically significant difference between qualification level and perception of women. Consequently, hypothesis **H3** is rejected **H3:** Qualification of women has no significant impact on their perception towards investment in stock market.

Table V: Output of ANOVA for qualification and perception towards investment

		Sum of square	Df	Mean square	F	Sig.
Perception towards investment	Between groups	101.899	3	33.966	145.026	.005
	Within groups	4444.973	396	11.225		
	Total	4546.871	399			

Source: Survey

On the basis of above result, it can be concluded that there observed statistically significant difference between qualification of women investors and their perception towards investment which exhibits that qualification level has significant influence on the perception of women towards investment. In this way, women having higher qualification will have different perception towards investment in comparison of women who are less qualified. Hence, the results confirm the importance of qualification level needed for ascertaining the perception towards investment decisions.

H4: Occupation has no significant impact on the perception of women towards investment in stock market.

As depicted in table VI, the p value (.001) found highly significant and the calculated F value (145.026) is observed higher than table value which reflect that there is statistically significant difference between occupation and perception towards investment. Thus, hypothesis H4 is rejected **H4:** Occupation has no significant impact on the perception of women towards investment in stock market.

Table VI: Output of ANOVA for occupation and perception towards investment

		Sum of square	Df	Mean square	F	Sig.
Perception towards investment	Between groups	46.598	3	15.533	145.026	.001
	Within groups	4500.274	396	11.364		
	Total	4546.871	399			

Source: Survey

Conclusively, it can be said that there observed statistically significant difference between occupation of women investors and their perception towards investment which advocates that occupation has significant influence on the perception of women towards investment decisions. This in turn, women having different occupations of being salaried, business and professional also have different point of view towards investment in stock market. Hence, the results support the significance of occupations in determining the perception of women towards investment decisions.

H5: Investment experiences have no significant impact on the perception of women towards investment in stock market.

In table VII, statistical result depicts significant level or p value (.001) and the calculated F value (145.613) which implies that there is statistically significant difference between investment experiences and perception towards investment. Consequently, hypothesis H5 is rejected **H5:** Investment experiences have no significant impact on the perception of women towards investment in stock market.

Table VII: Output of ANOVA for Investment experiences of women and perception towards investment

		Sum of square	Df	Mean square	F	Sig.
Perception towards investment	Between groups	24.697	3	22.103	145.613	.001
	Within groups	4522.174	396	23.164		
	Total	4546.871	399			

Source: Survey

It can be enunciated that there found statistically significant difference between investment experiences of women investors and perception towards investment in stock market. However, investment experiences have significant impact on the perception of women which advocates that women who have more experience in stock market have different point of view towards investment as compared to women who have less experience. Thus, the results support the importance of investment experiences required to drive the perception of women towards investment.

H6: Income has no significant impact on the perception of women towards investment in stock market.

In table VIII, statistical result depicts significant level or p value (.000) and the calculated F value (141.630) which implies that there is statistically significant difference between income and perception towards investment. Consequently, hypothesis H6 is rejected **H6:** Income has no significant impact on the perception of women towards investment in stock market.

Table VIII: Output of ANOVA for Income of women and perception towards investment

		Sum of square	Df	Mean square	F	Sig.
Perception towards investment	Between groups	22.971	3	25.031	141.630	.000
	Within groups	4302.714	396	22.116		
	Total	4325.685	399			

Source: Survey

It can be enunciated that there found statistically significant difference between income of women investors and perception towards investment in stock market. However, income has significant impact on the perception of women.

CONCLUSION:

It can be articulated from the results that there is significant relationship between demographic factors (qualification, occupation, experience and income) of women investors and their perception towards investment in stock market which suggests that, occupation, experiences, income and qualification have significant impact on perception of women. The findings advocate that women with varying income and investment experiences have different level of perception and women who are highly qualified have different perception in comparison of women who are less qualified. The present study enunciates that women have adequate knowledge about stock market. It can be concluded that perception level of women towards investment found positive and ample as they are aware about the content and functioning of stock market. Women’s investment distinctiveness plays a crucial role in identifying their perception levels. In this regard, qualification, occupation, income and investment experiences of women were found to have a major impact in determining the perception of women.

RECOMMENDATIONS:

The study recommends that government and financial regulators should come forward to design such policies that can foster the confidence of women while investing their money. In this regards, financial institutions and companies should organize campaign and workshop to make women more aware and technically sound with dimensions of investment. Further study can be conducted on the factors which will provide more clear representation of perception of investors.

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