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## INVESTORS ATTITUDE TOWARDS STOCK MARKET

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### ABSTRACT :

**T**his research is to analysis the investor's attitude towards the stock market in Bangalore. The sample size of this study consisted of 378 respondents. Descriptive technique method is applied for this study. It is found that the investors are high attitude towards better tomorrow investment, investment options, stock performance, investment reduces liability, long term affairs and investment objectives. But, the investors feel that invest money with private parities, transaction cost and less attract for government securities.



**KEYWORDS:** Attitude, Reliability, Perceived Ease Of Use, Usefulness And Investment Objective.

### 1.1 INTRODUCTION

The Indian stock market is one of the oldest and largest stock market in the world. The rapid industrialization in the country since independence has given vitality to the stock market. Stock market helps to channelize household savings to the corporate sector which in turn facilitates the development of industrial and service sectors. Investment is people in order to meet their future needs and also to protect them from the impact of inflation. Investment in shares will fetch better returns compared to any other form of investment. Whenever the inflation rate is high, the stock market has given higher rates of return to the investors. Share trading helps the corporate to raise additional funds for expansion by creating demand for the securities. The liquidity that an exchange provides gives the investors the ability to quick and easy selling of securities. This is an attractive feature of the stock market investment.

### 1.2 BACKGROUND TO THE STUDY

The investor's attitude is psychological variance, (East 1993). Perceived risk of individual investors in considered as one attitude towards behaviour, (Ajzen 1991). Investment decisions are made by investors and investment managers. Investors commonly perform investment analysis by making use of fundamental analysis, technical analysis and judgment. Investment decisions are often supported by decision tools. It is assumed that information structure and the factors in the market systematically influence individuals' investment decisions as well as market outcomes. Investor market behaviour derives from psychological principles of decision making to explain why people buy or sell stocks. Cohn et al. (1975) evidence that risk aversion decreases as the investor's wealth increases, while Riley and Chow showed that risk aversion decreases not only as wealth increases, but also as age, income and education increase. Le Baron, Farrelly and Gula (1992) advocated that individuals' risk aversion is largely a function of visceral rather than rational considerations. Baker and Haslem (1974) contended

that dividends, expected returns and the firm's financial stability are critical investment considerations for individual investors and Baker, Haargrove and Haslem (1977) proposed that investors behave rationally, taking into account the investment's risk/return trade-off. Perceived risk, perceived ease of use and reliability & trust are greatest influence on the individual stock investor attitude. these are several issue are considered for making this study to empirically examine the investors attitude based on investment decision and satisfaction towards the stock market in India.

### 1.3 STATEMENT OF THE PROBLEM

An investors' financial decision making is not always driven by just mental considerations. The investors have revealed more human traits in investment decision making such as fear, risk seeking and aversion, peer group pressures and pleasure rather than going in a systematic manner. Psychological and behavioural factors play a vital role in investment decision rather than fundamental analysis of facts and figures. It is a well known fact that the ability of human beings to make complex decisions is limited and emotionally and psychologically biased. The attitude of investors is examined from their risk bearing capacity. These are all in respect of measuring the investors' attitude in the study area. This study would help many investors who may want to know a rational method to buy shares that have a better, risk position, role of SEBI, investor's rights and portfolio information along with their broad category of statement. Hence the study is analysis the investor's attitude towards stock market in Bangalore City.

### OBJECTIVE OF THE STUDY

1. To study the investors opinion about the investment objective
2. To analysis the investors perception towards the perceived usefulness
3. To examine the investors attitude towards the perceived ease of use
4. To investigate the investors opinion towards the trust & reliability
5. To test the investors observation about the attitude

### RESEARCH METHODOLOGY

The intention of the study is to find the investors attitude towards stock market in Bangalore, India. Descriptive technique method is applied for this study. The researcher chooses the survey research technique for this study. For this research, nearly 3000 population, a sample of 353 is enough, it is suggest by Glenn (1992). But, the researcher has collected 15 percent extra. Based on this, samples of 405 investors are approached for this study. Finally, 378 responses are fit for further analysis. Hence, the sample size of this study consisted of 378 respondents. Descriptive statistic was used to find out the investors attitude about the stock market investment.

**ANALYSIS AND DISCUSSION**

**Table 1 investor's opinion towards investment objective**

Investment Objective	Mean	Std. Deviation
Dividends	3.57	1.20
Capital Appreciation	3.70	1.08
Quick Gain	3.71	1.25
Safety	3.96	1.25
Liquidity	3.96	1.16
Tax Benefits	3.58	1.20
Diversification of Asset Holding	3.88	1.46
Rights / Bonus issues & Stock splits	3.85	1.09
Hedge against Inflation	3.59	1.39
To provide for retirement	3.84	1.13
To meet contingencies	3.58	1.20
For purchase of assets	3.32	1.32
For children's education	3.34	1.21

Source: primary data computed

Table-1 presents the investor opinion towards investment objective. The researcher has identified thirteen reasons for investment objective in the study area. The respondents were asked to rate their opinion in the five point scale. Where five stands for strongly agree and one stands for strongly disagree. Based on the collected data, mean and standard deviation values are calculated. The mean values are ranged between 3.32 and 3.96. The standard deviation values are lies between 1.08 and 0.46. It shows that the respondents are having similar level of opinion toward reasons for investment objectives. The mean values, it is observed that the dividends (3.57), capital appreciation (3.70), quick gain (3.71), safety (3.96), liquidity (3.96), tax benefits (3.58), diversification of asset holding (3.88), rights / bonus issues & stock splits (3.85), hedge against inflation (3.59), to provide for retirement (3.84), to meet contingencies (3.58), for purchase of assets (3.32), for children's education (3.34). It is found that the investors are given more importance towards liquidity, bonus issue, capital appreciation, quick gain, diversification of asset. But, similarly varied children, contingencies, retirement, safety, hedge against inflation, tax benefit and asset purchase

**Table 2 Investor's opinion towards Perceived Usefulness**

Perceived Usefulness	Man	Std. Deviation
Trading websites provide educational and guidance material	3.82	1.17
User friendly interface	3.76	1.15
All the transactions can be viewed through website and is transparent.	3.88	1.12
Saves time and effort	3.96	1.29

Source: primary data computed

Tables-2 explains the investor opinion towards perceived usefulness. The researcher has identified four statements for perceived usefulness. The respondents were asked to rate their opinion in the five point scale. Where five stands for strongly agree and one stands for strongly disagree. Mean and standard deviation values

are calculated based on the collected data. The mean values are ranged between 3.76 and 3.96. The standard deviation values are lies between 1.29 and 1.55. the mean value is displayed that trading websites provide educational and guidance material (3.82), user friendly interface (3.76), all the transactions can be viewed through website and is transparent (3.88), saves time and effort (3.96) are given more important opinion about perceived usefulness. It is found that the investors are given more important opinion towards saves time and effort, website and transparent, guidance material and user friendly interface.

**Table 3 Investor's opinion towards Perceived Ease of use**

Perceived Ease of use	Mean	Std. Deviation
Customize the securities and volume is possible	3.59	1.09
Trading services is clear and understandable	3.84	1.15
Trading website is easy and flexible to interact with	3.80	1.18
Easy to accomplish trading tasks using online trading services	3.94	1.15

Source: primary data computed

Table-3 portrays the investor opinion towards perceived ease of use. The researcher has identified four reasons for perceived ease of use. The respondents are asked to rate their opinion in the five point scale. Where five stands for strongly agree and one stands for strongly disagree. Mean and standard deviation values are calculated based on the collected data. The mean values are ranged between 3.59 and 3.94. The standard deviation values are lies between 1.18 and 1.09. The calculated mean values, it is observed that the investors opinion towards customize the securities and volume is possible (3.59), trading services is clear and understandable (3.84), trading website is easy and flexible to interact with (3.80) and easy to accomplish trading tasks using online trading service (3.94). It is found that the investors are highly agreed that customize the securities and volume, trading services is clear and understandable, trading website is easy and flexible to interact and easy to accomplish trading tasks using online trading service.

**Table 4 Investor's opinion towards Trust and Reliability**

Trust and Reliability	Mean	Std. deviation
Trading Service is reliable and trustworthy	3.76	1.14
Protection of investors' privacy	3.64	1.13
Assist investors to solve the online problems	3.74	1.09
Maintains your buy and sell order confidential Compatibility	4.07	1.28

Source: primary data computed

Table-4 elucidates the investor opinion towards trust and reliability. The respondents were asked to rate

their opinion in the five point scale. Whereas, five stands for strongly agree and one stands for strongly disagree. Mean and standard deviation values are calculated from collected data. The mean values are ranged between 3.64 and 4.07. The standard deviation values are lies between 1.28 and 1.09. The calculated mean values indicates that the investors stated that trading Service is reliable and trustworthy (3.76), protection of investors privacy 3.64, assist investors to solve the online problems (3.74), maintains your buy and sell order confidential compatibility (4.07) are high level opinion towards trust and reliability. It is found that trading Service is reliable and trustworthy, protection of investors privacy, assist investors to solve the online problems, maintains your buy and sell order confidential compatibility are strong believed the investor opinion towards trust and reliability.

**Table 5 Investor's opinion towards Investors Attitude**

<b>Investors Attitude</b>	<b>Mean</b>	<b>Std. Deviation</b>
Investing today is for a better tomorrow	4.07	1.28
I search for investment options	3.67	1.16
I rely on intermediaries for making investments	3.79	1.12
I prefer investment based on low transaction cost	3.64	1.15
My investments are always tenure based	3.71	1.20
I watch the performance of investment	3.97	1.24
I take responsibility for the investments made	3.71	1.15
My choice of investments will be of various avenues	3.76	1.07
My investments are diversified	3.74	1.13
My investments will be in equal ratio for all avenues	3.86	1.28
My investments will be the last resort during contingency	3.77	1.11
I make more investments in the same avenue if my objectives are fulfilled	3.77	1.17
I analyze my investments and switch to other when I found appropriate	3.84	1.07
I consider using investments for social aspect needs	3.82	1.23
I don't consider switching when my investment objectives were met	3.01	1.16
I take substantial financial risks expecting to earn substantial returns	3.79	1.13
Investment offers safety	3.69	1.10
It is a tough task but is a must	3.74	1.21
Increase in wants reduces the investments	3.78	1.15
Genuine investors are cheated by unscrupulous persons	3.75	1.16
Government securities are not attractive	3.90	1.13
Investment reduces liability	3.67	1.14
Never invest money with private parities	3.60	1.09
Investment is a long term affair	3.91	1.19

Source: primary data computed

Table-5 explains the investor opinion towards attitude. The respondents were asked to rate their opinion in the five point scale. Where five stands for strongly agree, agree, neutral, disagree and strongly disagree. Mean and standard deviation values are calculated based on the collected data. The mean values are series between

3.01 and 4.07. The standard deviation values are lies between 1.07 and 1.28. investing today is for a better tomorrow (4.07), they search for investment options (3.67), they rely on intermediaries for making investments (3.79), they prefer investment based on low transaction cost (3.64), they investments are always tenure based (3.71), they watch the performance of investment (3.97), they take responsibility for the investments made (3.71), they choice of investments will be of various avenues (3.76), they investments are diversified (3.74), they investments will be in equal ratio for all avenues (3.86), they investments will be the last resort during contingency (3.77), they make more investments in the same avenue of objectives are fulfilled (3.77), they analyze their investments and switch to other appropriate (3.84), they consider using investments for social aspect needs (3.82), they don't consider switching when my investment objectives were met (3.01), they take substantial financial risks expecting to earn substantial returns (3.79), investment offers safety (3.69), it is a tough task but is a must (3.74), increase in wants reduces the investments (3.78), genuine investors are cheated by unscrupulous persons (3.75), government securities are not attractive (3.90), investment reduces liability (3.67), never invest money with private parities (3.60), investment is a long term affair (3.91). It is found that the investors are high attitude towards better tomorrow investment, investment options, stock performance, investment reduces liability, long term affairs and investment objectives. But, the investors feel that invest money with private parities, transaction cost and less attract for government securities. Kavitha (2015) found that the investors attitudes significant role for stock market investments. The more positive attitude enhancement strategies are introduced, the more it is easy for local investors to invest in the stock market.

## CONCLUSION

The attitude of the investors has been changing due to the changes in the stock market scenario. The investor can make the share trading as a beneficial investment area. It is purely based upon the investors' awareness towards the share trading and stock investments. When the investors avail the accurate and reliable information, then they can enjoy the taste of success from the share market. It is suggest that to improve the awareness among the equity investors about stock trading and let them benefit from investment in securities. Thus, it is purely based upon the investors' awareness towards share trading and stock investments can be improved. When the investors avail the accurate information then one can enjoy the taste of success from the share trading in the stock market. The investors are high concentrating that investment objective, invest avenue, performance of instrument, safety offer, investment diversification and long term affair.

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