

## Perception of Women Investors towards investing in the Equity Market

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### ABSTRACT

India is poised for quick development economically. Women who are almost 50% of the population have to be a part of the decision making for any economy to be fully developed. In spite of impressive development performance in other indicators like education, health, career etc. it is often found that women have still not taken many steps for financial independence they still rely on the traditional low risk low return investments. This study aims to understand women's perception to investment in equity markets and the factors influencing thereof.

Stock Broking is a leading sector on which researchers have focused attention the study revolves around the financial habits relating to a very complex industry. India's economy is highly developing. The development is taken place due to the growth in the financial system. This financial system provides the background to various investors regarding varied options to invest. Thus, development of the economy depends on how these investors invest for the wellbeing in long run.

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**Key words:** Women Perception, Equity Market, Investment, Mutual Funds, Risk.

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### INTRODUCTION

As financial markets become more sophisticated and complex, investors need a financial intermediary who provides the required knowledge and professional expertise on successful investing. Mutual Funds represent perhaps the most appropriate investment opportunity for investors. For most people, money is a delicate matter and when it comes to investing they are worried. Simply because there are many investment options out there, each out promising the other. An important Variable facing many investors is whether to invest in Banks, National Savings, Post office, Non-banking finance companies, fixed deposits, Shares etc. or to invest distinctively in Mutual Funds.

Even though Pune is a developed region, an Educational and Industrial hub this study will determine the researcher how much knowledge women of Pune have towards share market which will ultimately help the company Considering brokerage firms or some other broking firm to tap the untapped market. The importance of this study will be mostly helpful to considering brokerage firm primarily because they are planning to attract female and open their depository accounts with Brokerage firms.

### Research Problem

For every research topic there should be some rationale to conduct research or to carryout research activities. The subject of study has to be dedicated towards the solution of problems that have been present in that particular field of study. A general statement of the purpose has to be drawn as per the present scenario which would eventually lead to the objectives of the study along with its scope and limitations. A similar attempt has been made by the researcher in this study.

This Research is Women Perception towards Equity Market Provides information about Indian Stock Market and women Perception towards it. This research is carried out in "Considering Brokerage Firms", a part of "Brokerage Firms Group". Various steps have been taken by Security Exchange Board in India to promote Equity Market in India. The study presents the actual picture of women awareness about Equity Market in Pune. It is essential for women, be it working women or homemakers to keep themselves and their family financially secure.

In the olden days, women generally had a habit of saving money in containers in their kitchen, but today that is not going to get our savings anywhere when confronted with ever-growing inflation. It is wise to choose to invest and wiser to choose the best investment. A good investment gives us better returns than merely saving in a bank deposit or in our piggy bank.

### **Objectives of the Study**

1. To understand women perception towards Equity Market.
2. To understand women awareness towards Equity and Mutual Fund
3. To determine women view of risks involved in investments.

### **Literature Review**

Amit Mudgill (9th June 2016) If you had invested in a bank fixed deposit (FD) or Kisan Vikas Patra (KVP) three years ago, you would not have been even halfway through towards your goal of doubling that investment over eight to nine years. But had you invested the same money in the top 100 stocks, it would have already doubled by now. Here's how: On June 10, 2013, it would have cost you Rs 80,541 to buy one unit each of the Nifty100 stocks. Today, that amount would have become Rs 1.63 lakh, growing.

S.K. Pandey The present study is an attempt to establish the relationship between deals and moods on the compulsive buying behaviour. A total of 172 subjects responded to the structured Variable questionnaire conducted mainly through online methods. Established scales of moods, compulsive buying, etc. were validated before use in measuring these constructs. Contrary to the established Western literature, young Indian consumers were not found to be affected by moods either directly or indirectly. There was neither any main nor interaction effect of moods on compulsive buying. However, deals had a significant main effect, meaning more deals lead to more compulsive buying. This finding is in line with even national brands offering seasonal and festival sales. The effect of demographic variables including gender was also non-significant. This again is a departure from the existing literature which states females to be more compulsive buyers when compared with their male counterparts. Managerial implication in targeting student population is to promote deals without differentiating customers further on demographic profiles.

Arun Lawrence, Zajo Joseph (2013) They analyzed the general investor perception towards equity trading and factors leading equity investment, when the investor gets more and more accurate information on the right time, then they can enjoy the taste of success from the equity trading. Paper also find friends and media play a key role in affecting the investors equity trading decisions, attractive benefit was also the key factor; however personal interest was also responsible for same.

George Thomas , Joma Joseph, Prasath S. Pai (2013) have pointed out that an important feature of the development of stock market in India during the last decade has been the growing participation of Institutional Investors, both foreign Institutional investors and the Indian mutual funds combined together. Today India has one of the most modern securities market among all the countries in the world. This paper examines the role of these investors in Indian equity markets and finds that the market movement can be explained using the direction of the funds flow from these investors.

S.M. Tariq Zafar, D.S. Chaubey, S.M. Khalid (July 2012) analyzed the impact of dividend on shareholders wealth of eleven selected Indian banks listed and actively traded in National Stock Exchange (NSE) during the period 2006 to 2010. The study found that market price does not depend on the dividend policy alone but many factors play a vital role in price determination. They also found that dividend pay-outs have strategic influence on shareholders wealth and there is significant impact of dividend policy on the shareholders wealth in banking companies in India.

Prof. Mohd Akbar Ali Khan, Mr. A. Kotishwar (2011) analyzed the behaviour and expectations of those dealing in equity markets and found such factors which they think are responsible for price fluctuations. The study also discovered that many people in equity markets are dealing through multiple demat accounts which not only exaggerates the investor base, but provides a false picture of Indian capital markets.

It was also found out in the study that most people preferred to trade in National Stock Exchange (NSE) as compared to Bombay Stock Exchange (BSE). The most stated reason for it was said to be availability of futures and options on NSE and lesser volatility of the NSE index Nifty as compared to BSE's Sensex. It was also clear from their study that most of the people currently investing in stock markets are quite comfortable investing in it. This is a clear indication of investors' confidence in Indian capital markets and a positive sign for India's growth.

Saurabh Singh (2009) Public perception at Indian Capital Markets Investment decisions made by the investors' is not solely dependent upon price movement and stability of the markets. The study has resulted in listing, factors as age, sex, education, family, and the past performance of a company's securities as variables or attributes, having significant influence and impact on the investor's investment decision making process. The present study identifies, understands and explains how human emotions influence the investors' decision making process. The element of emotions silently contributes towards increasing the probability of mistake on the part of investors itself and consequently resulting in false or biased expectations with regards to future returns to be gained from present investment, leading to mispricing of securities in the market.

Ronay and Kim (2006) have pointed out that there is no difference in risk attitude between individuals of different gender, but between the groups, males indicate a stronger inclination to risk tolerance. Gender difference was found at an individual level, but in groups, males expressed a stronger pro-risk position than females.

Mr. Gnana Desigan C., Miss S. Kalaiselvi, Miss L. Anusuya (April 2006) studied 'Women Investors Perception towards Investment'. Saving is a habit specially embodied to women. Even in the past, when women mainly depended on their spouse's income, they used to save to meet emergencies as well as for future activities. In those days, women did not have any awareness about various investment outlets. But as time passed, the scenario has totally changed. Now, the present women, who are equally employed, through their education have knowledge about various aspects of investment and as a result they invest in various investment avenues such as shares, debentures, mutual funds and bank deposits . Research also analyzed women investors' investment. Pattern, influencing factors, risk preference levels, problems in various investment avenues and other investment related issues. There are certain problems in investment but still they can be rectified thereby inducing more and more women investors to invest in the various investment outlets.

### **Research Methodology**

Research Methodology is used to collect information and data for the purpose of making business decisions. The methodology may include publication Research, Interviews, Surveys and other research technical variable and could include both present and historical information. A researcher should work towards a goal, whether immediate or futuristic, else the research loses its significance in the field of management.

### **Research Design**

Researcher has done Exploratory Research which allows the researcher to gain a better understanding of the concept and provides direction in order to initiate a more structured research. The information is collected primarily by going on residence and some work places interacting with women. Information is also collected from various sites mentioned in the bibliography. Quantitative research aims to measure the quantity or amount and compares it with past records and tries to project for future period. Quantitative research involves the use of structured Variable questions, where the response options are Pre-determined and number of respondents is involved.

### **Sampling Method**

The Sample design used is Statistical in which the data collected can be analyzed in statistical format. The data collection technique is Simple Random Sampling without Replacement and the number of respondent are 100 women.

**Tools and Techniques Variable of Analysis**

The analysis of the data obtained has been carried out with the help of different statistical tools such as statistical tables, percentiles of various numerical values according to their related data. The data so collected is tabulated. The analysis of data is done with the help of suitable statistical techniques. Graphical presentation of data is made in the study wherever it is needed. Graphs are in the form of bar graph.

**Data Analysis and Interpretation**

*Variable -1 Age Group*

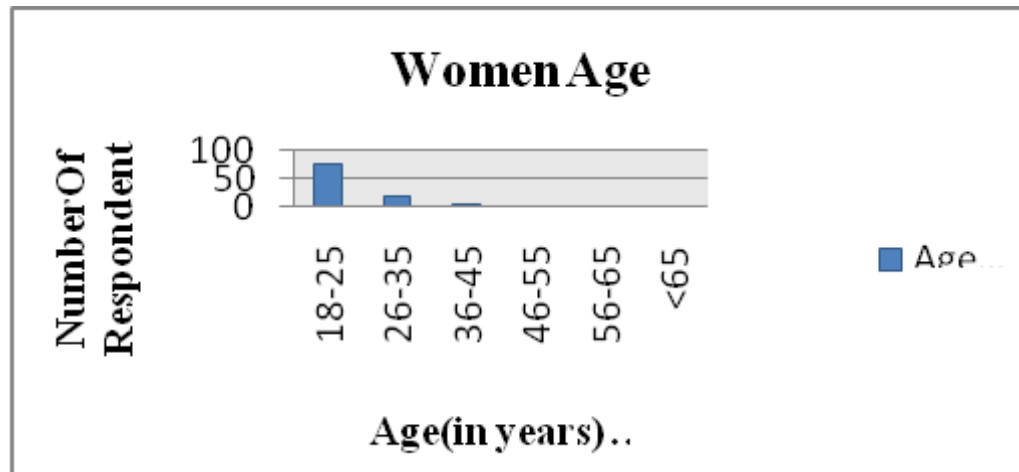


Figure1: Age Group

*Interpretation-* Out of a sample size of 100 women, 76% women fall under the age group of 18-25 years, 20% women fall under the age group of 26-35 years, 3% fall under the age group of 36-45 years and 1% fall under the age group of 46-55 years.

*Variable .2 Occupations*

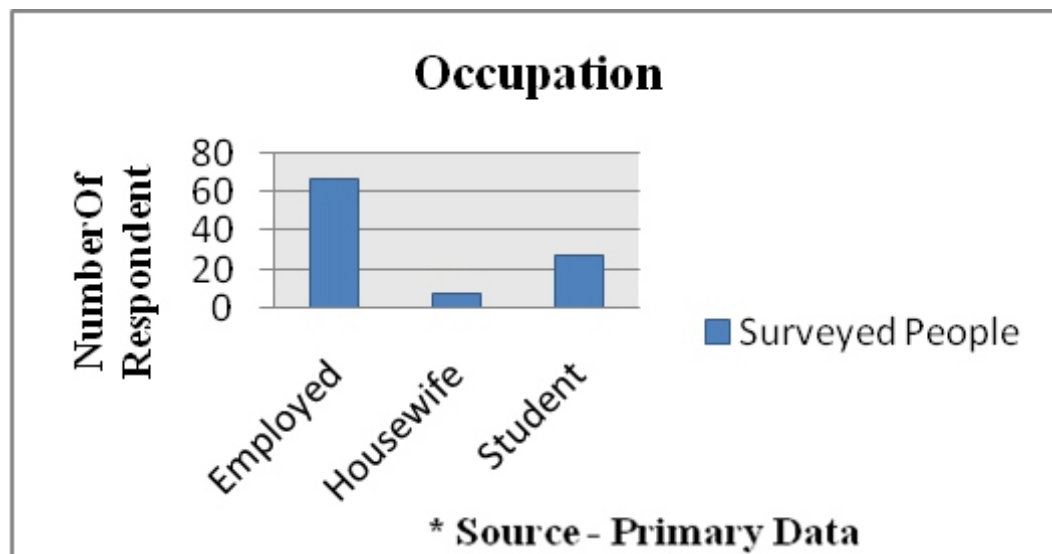
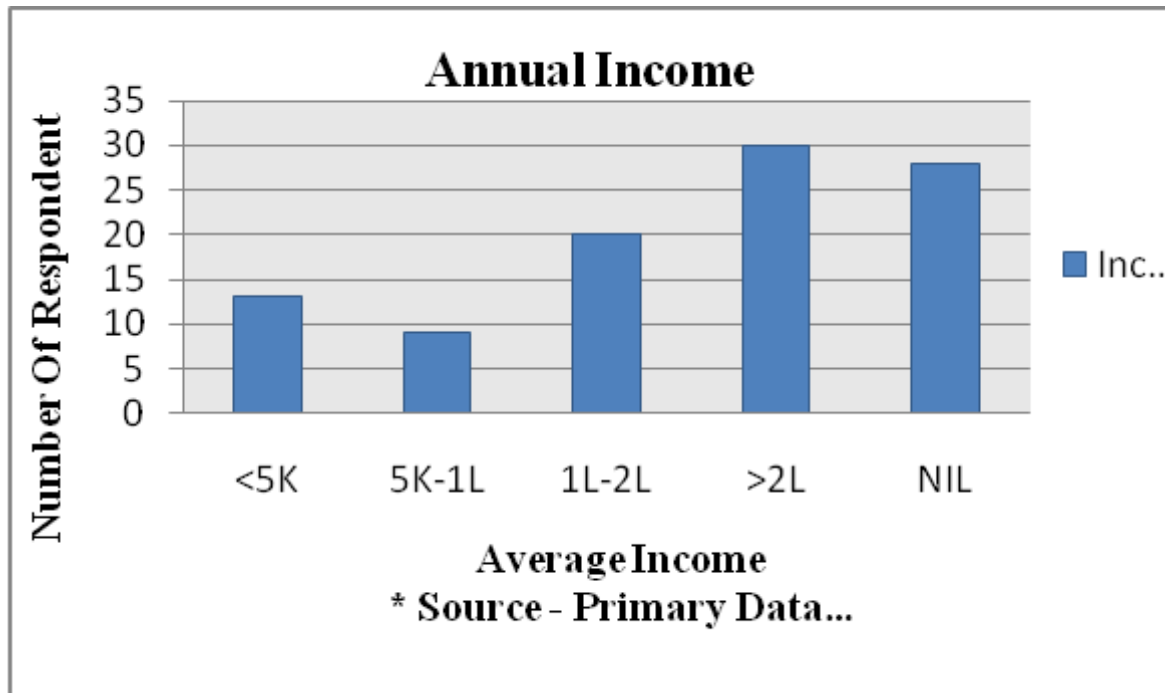


Figure2: Occupations

*Interpretation-* Out of sample size of 100 women, 66% women are employed, 7% women are housewives and 27% women are students.

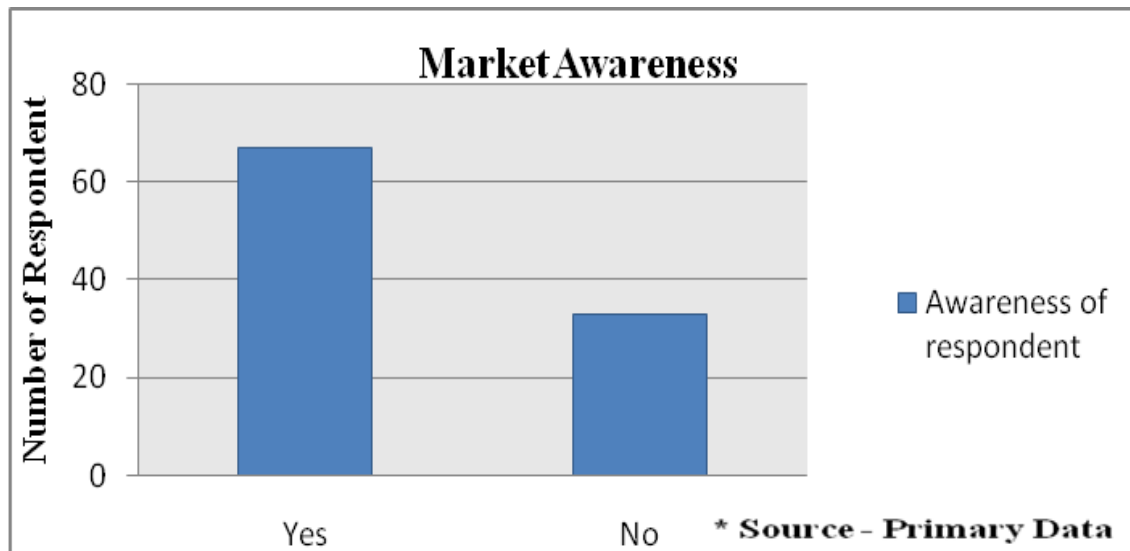
Variable .3- Income



**Figure 3: Annual Income**

*Interpretation-* Out of sample size of 100 women, 30% women fall under the income group of more than Rs.200000, 28% women fall under the group of No income, 20% women fall under income group of Rs.100000- Rs.200000, 13% fall under income group of less than Rs.50000 and 9% of women fall under the group of Rs.50000- Rs.100000.

Variable: 4 Aware about share market investments and operations



**Figure 4: Aware about share market investments and operations**

*Interpretation-* The above graph shows us that 67% of women have basic awareness about share market investments and operations, Equity, Mutual Funds, Derivatives, Bonds and Commodity while the other 33% women don't have much knowledge about share market.

Variable .5 Wish to invest

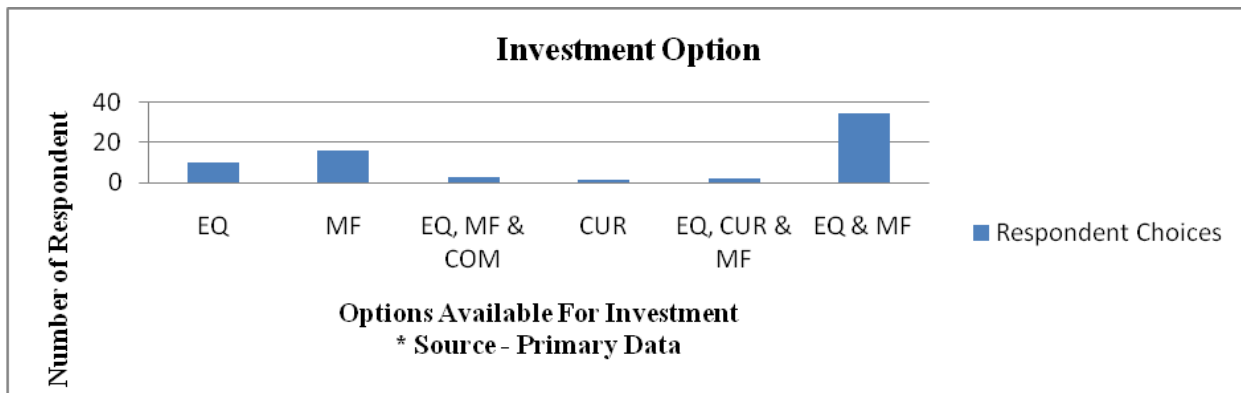


Figure 5: Investment Option

\*where EQ-Equity, MF-Mutual Fund, COM-Commodity, CUR-Currency

Interpretation- All the above options are best for investment. So almost all respondent have chosen more than one option so Researcher have analyzed them separately and found that most preferred option for investment is to invest in both Equity and Mutual Funds as 52.24% of women have chosen it, after that second most preferred option is Mutual fund (23.88%), followed by Equity (14.93%), then women prefer Equity, Mutual Fund and Commodity together for investment. Lastly Currency alone is preferred.

Variable .6 preventing you to further invest in Equity

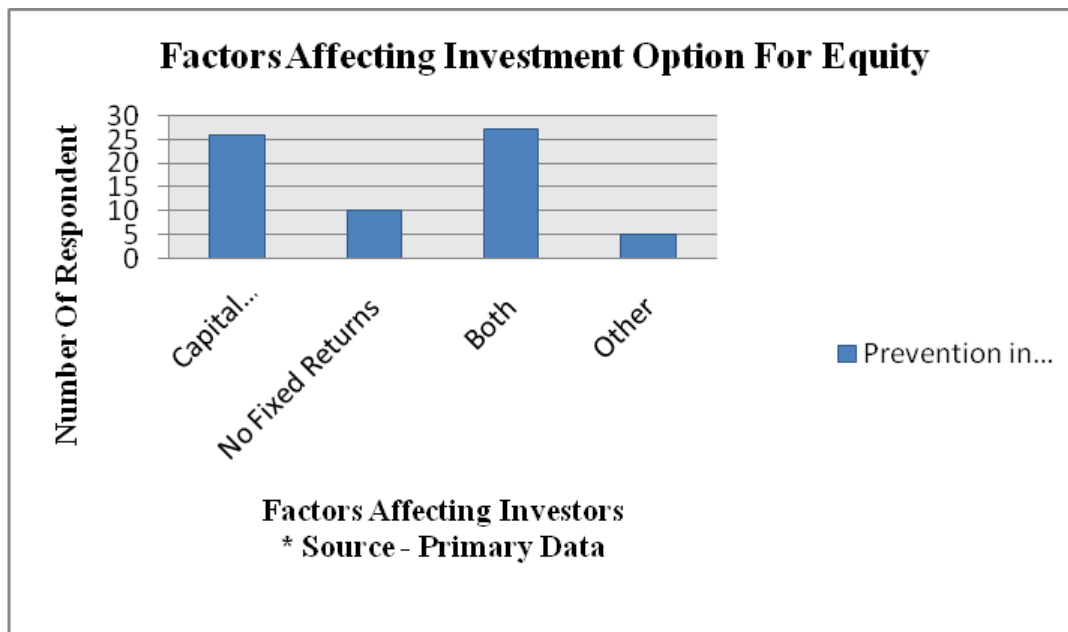


Figure 6: Factors Affecting Investment Option for Equity

Interpretation- 40.3% women think that both capital depreciation and no fixed returns are the factors that prevent investors to further invest in equity, while 38.8% say that it is only because of capital depreciation women not prefer to invest in equity, 14.9% women say that in equity there is no certainty of returns and 6% are saying that they are not aware of equities nor to company's information. But still 50 women are investing or ready to invest in equities knowing that it is riskier.

Variable .7- Average amount you invest/wish to invest in Equity Market

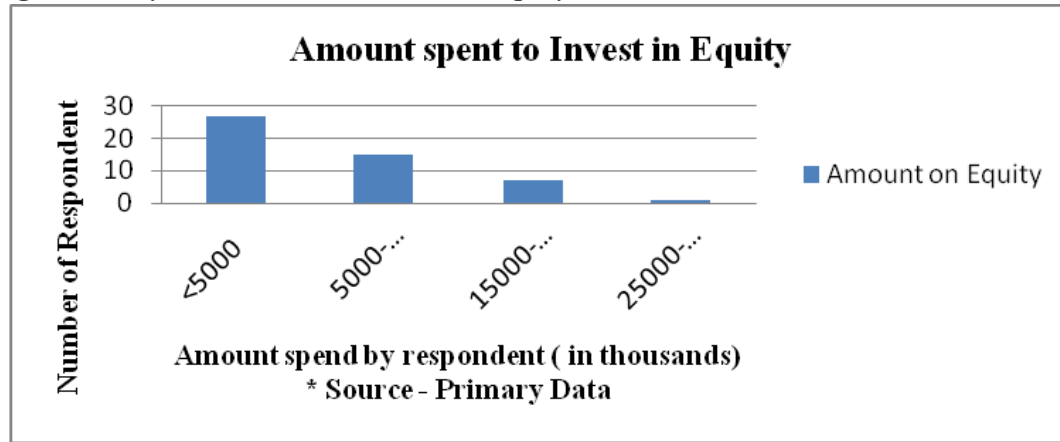


Figure 7: Average amount you invest/wish to invest in Equity Market

Interpretation- The above graph tells us that 54% out of Research sample, women are preferring to invest money in Equity is less than Rs. 5000 this is because equities are more riskier option and no fixed return is there, 30% women i.e. 15 are preferring Rs5000-Rs.15000, 14% women i.e. 7 are preferring Rs.15000-Rs.25000 and only 2% women is preferring to invest Rs. 25000 - Rs. 35000.

Variable .8 how you prefer for investing in Equity

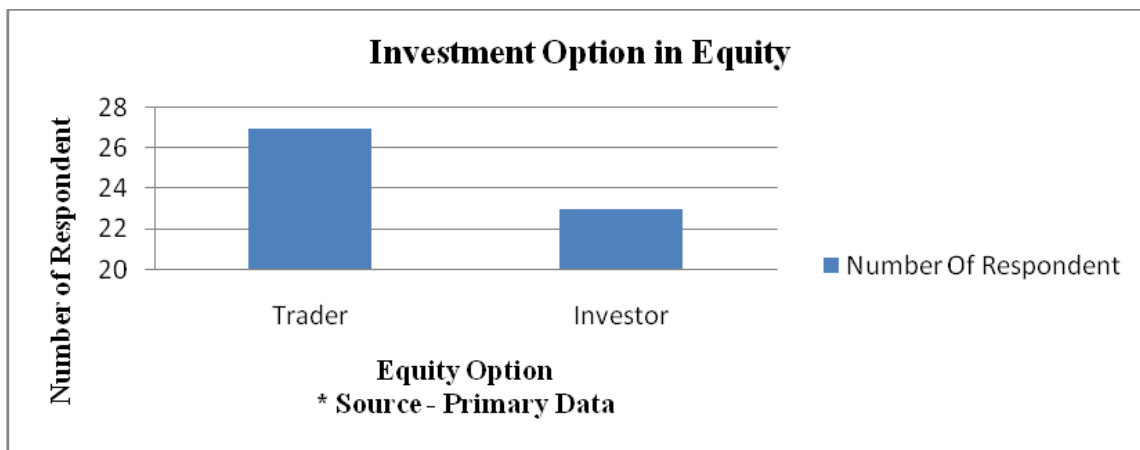


Figure 8: Investment option in Equity

Interpretation- The above graph shows us that 54% women want to invest in Equity as a Trader for short time period as equity market has more volatility while 46% want to invest as an Investor for longer time period as to get tax benefit and good amount of return.

Variable .9 rate risk associated with mutual funds

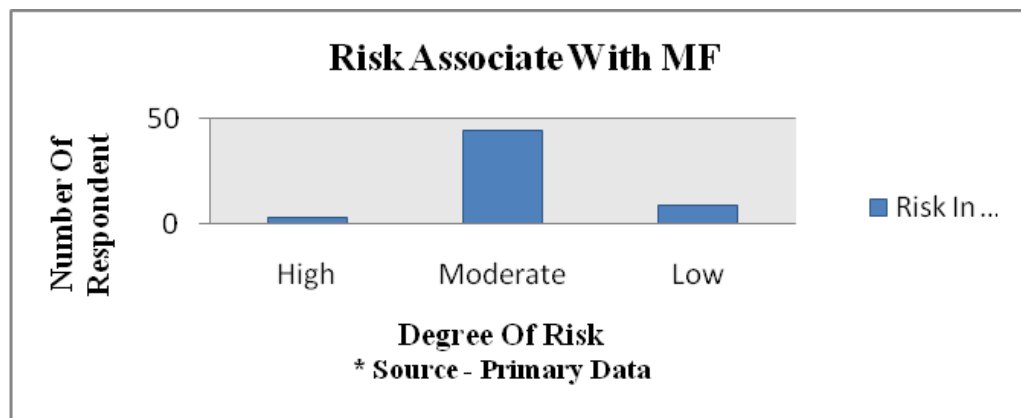
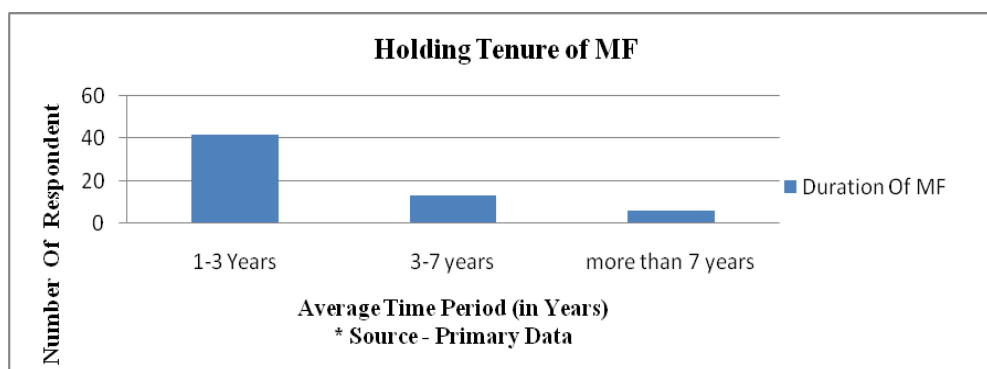


Figure 9: Risk Associated With Mutual Funds

*Interpretation-* Out of sample size of 100 women,56 women want to invest in mutual funds out of which 78.57% women are associating the risk factor in mutual funds is moderate, another 5.36% women associate mutual funds with high risk appetite and remaining 16.07% women are associating mutual funds with low risk.

*Variable .10 holds tenure of Mutual Fund Investments*



**Figure 10:** Holding Tenure of Mutual Fund

*Interpretation-* As 56 women want to make investments in Mutual funds, 66.08% women want to hold mutual fund for shorter time period this may be because they just want to monitor their investment and take decision after wards, while 23.21% want to invest in Mutual Funds for moderate period i.e. 3-7 years this may be because they want to give more time to their investment and earn benefit, while 10.71% women want to invest for longer period in mutual funds.

### Findings

1. After doing in research study on women awareness towards equity market Researcher found that there is a large scope for investment to be done in both Equity and Mutual funds as maximum women want to invest in both. Maximum number of investors is of the age group 18-25 years.
2. There are still some women in today who are not aware of Equity Market maximum out of them are students and who are also ready to get awareness.
3. Through this Researchers come to know that women not want to prefer to invest in commodity market.
4. Maximum numbers of women who have awareness of Equity market are employed.
5. Maximum women preferred to be a trader and want to trade in shares for shorter time period that's why they are investing less than Rs. 5000. in Equity.
6. Through this Research it is clear that there is a need to increase literacy among women regarding Equity market.
7. In Mutual funds women prefer balanced plan more this is because they want to take moderate risk and to earn regular income.

### Recommendations

1. Through Research study it is clear that if brokerage firms want to tap the untapped space of females who are willing to earn, create wealth, shop their own or get financial freedom. The following recommendations will help them to tap the space
2. Through the study it is clear that their target audience is Housewives and female students, so their target area will be residential flats, women clubs, women gym and job places.
3. Doing more Advertisement and Promotion on a smaller scale by way of doing events in club houses, societies in the form of fun games like Business, Ludo, Darts, Treasure Hunt. These games should be little bit modified as per the share market and participants should be ladies while their helpers should be their spouse or family member.
4. Proper Awareness should be done before 15 days from any events in the form of banners and posters and to attract their target audience they should promote their activities for that they should provide discounted coupons of reputed beauty parlor and should also engage the cash reward with fun activities.



5. For colleges or Institutes Brokerage firms should conduct Financial Planning and Interactive Sessions with students. Moreover free educative books should be given to them; proper awareness related to equity market should be given.
6. Brokerage firms should also keep the brokerage charges low in comparison to their competitors and provide excellent service in terms of Advisory and Research services to attract women.
7. As Internet is highly preferred source among women they should advertise more on shopping sites, paid campaign on social media.
8. For Promotional activities word of mouth activity done by the existing employees is best suited and commission should be given for opening accounts.
9. Brokerage firms should provide more focus to commodity market and proper awareness should be given to women on it and Brokerage firms should also tell the benefit of gold purchase on commodity in comparison to physical gold.
10. They should give first 5 transactions free of cost.

#### Limitations of the Study

1. The research is confined to Pune city only and does not necessarily show a pattern applicable to country.
2. The study depicts the present scenario in Pune and hence the result may not be applicable to another period of time.
3. The study is limited to 100 respondent of Pune.
4. The survey was based on simple random, non replaced samples.

#### Conclusion

1. It is concluded from the study that the investors are monitoring their investments on equity and mutual funds.
2. The women investors are investing their amount for short period of time i.e. upto the 3 years only.
3. Maximum numbers of women who have awareness of Equity market are employed, but there is a need to increase literacy among women regarding Equity market.
4. Women Investors are prefer balanced plan in Mutual fund because they want to take moderate risk and to earn regular income

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