



A STUDY ON PREFERENCE OF WOMEN TOWARDS FINANCIAL INSTRUMENTS WITH SPECIFIC REFERENCE TO CHENNAI CITY

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Abstract

Investment is an activity that is engaged in by people who have savings i.e. investments are made from savings, or in other words people invest their savings. A variety of investment options are available such as bank, securities, post services, mutual funds & so on. Investors are investing their money with the different objectives such as profit, security, appreciation, Income stability. Researcher has studied the different avenues of investments as well as the factors while selecting the investment with the sample size of 680 women by conducting the survey through questionnaire in Chennai, India. The study is based on personal interviews with women using a structured questionnaire. Actually, the present study identifies the preferred investment avenues among the individual investors using self assessment test. The study is based on primary sources of data which are collected by distribution of a close ended questionnaire. The data has been analyzed using percentage, chi-square test, and Carl Pearson Correlation Coefficient with the help of statistical software. Respondents are aware about the investment avenues available in Chennai. This study has analyzed that women consider the safety as well as good return on investment on regular basis.

Key Word: *Financial Instruments Meansshares, Debentures, Insurance, Mutual Funds and Bank Deposits.*

INTRODUCTION

There are different motives of investments for the people. Everyone wants to save a portion of their current income to meet the future needs such as building a house, marriage of children, education of children, etc., and the root cause of savings is to spend one's future in comfort. Investing is an activity that fascinated people from all walks of life regardless of their occupation status, education and family background. Money and information are the basic and major factor affecting investment decision. Through savings and investment this objective can be achieved when individual savings and investment have been properly planned, promoted and channeled.

Women have traditionally been considered as home makers and their role has been home makers rather than financial decision makers. A study of working women from the U.S. suggests that majority seemed to face challenges like finding time to dedicate to their investment needs. Numerous studies also pointed out the lack of overall financial awareness among women.

But with the changing landscape and a rejuvenated working women force, India seems to be marching towards a new era. The modern Indian women seem to be competent and never ready to compromise on any thing, whether it is safety or security for herself or for her family. So the need for their safety and security in the form of Insurance or the retirement plans or for the future benefits of their children seems to be the top priority in the minds of the women today. So they take lot of efforts in selecting right financial instruments for their family. But what they prefer in a financial instrument is still a trivia.

STATEMENT OF THE PROBLEM

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, insurance, mutual funds and bank deposits. Though a variety of investment options are available majority of them still depend on the banking system to invest their savings. so what women actually prefer in a financial instrument is a million dollar question. So, in the present study an attempt has been made by the researcher to know, what they expect in a financial instrument, how they gather information about it and what are the instruments preferred by them.

SIGNIFICANCE OF THE STUDY

Review available from literature reveals that the number of research studies has been done for identifying the preference of men towards financial instruments, throughout the world. Very few studies have concentrated on women and especially in India, this has been a neglected area of research. Today predominantly women started playing the role of decision maker especially in the financial matters. So, companies are more interested in understanding the preference of women in purchasing the financial instrument, so that they can target them more appropriately. New instruments and packages can be framed exclusively for them which can satisfy the needs of women customers. Through this study the researcher tries to find appropriate ways and means of attracting the women customers.



REVIEW OF LITERATURE

V.R.Palanivelu&K.Chandrakumar(2013)examined the Investment choices of salaried class in NamakkalTaluk, Chennai, India with the help of 100 respondents as a sample size & it reveals that as per Income level of employees, invest in different avenues. Age factor is also important while doing investments.

Avinash Kumar Singh (2006) the study analyzed the investment pattern of people in Bangalore city and Bhubaneswar & analysis of the study was undertaken with the help of survey method. After analysis and interpretation of data it is concluded that in Bangalore investors are more aware about various investment avenues & the risk associated with that. All the age groups give more important to invest in equity & except people those who are above 50 give important to insurance, fixed deposits and tax saving benefits.

Karthikeyan (2001) has conducted research on Small Investors Perception on Post office Saving Schemes and found that there was significant difference among the four age groups, in the level of awareness for kisanvikaspatra (KVP), National Savings Scheme (NSS), and deposit Scheme for Retired Employees (DSRE), and the Overall Score Confirmed that the level of awareness among investors in the old age group was higher than in those of young age group.

Sandhu and Singh (2004) The study was based on structured primary data. The survey was conducted during October and November 2002. The sample of 50 adopters and 50 non-adopters from the universe comprising the city of Amritsar was selected. The study analyzed in case of adopters that transparency, safety, convenience and economy judged as an important feature of net trading followed by market quality and liquidity whereas in case of non-adopters economy and convenience were the important features followed by the other factors like market quality, safety and liquidity.

RESEARCH OBJECTIVES

1. To identify the factors which are vital in selecting a financial instrument.
2. To identify the preference of women towards financial instruments.
3. To identify the source of information which facilitates in selecting a financial instrument?
4. To suggests ways to attract women customers.

HYPOTHESIS OF THE STUDY

1. H0. There is no significant difference betweenage of the respondents and their preference towards financial instruments, while investing their money.
H1. There is significant difference betweenage of the respondents and their preferene towards financial instruments, while investing their money.
2. H0. There is no significant difference betweenlevel of education of the respondents and their preference towards financial instruments, while investing their money.
H1. There is significant difference betweenlevel of education of the respondents and their preferene towards financial instruments, while investing theirmoney.
3. H0. There is no significant difference betweennature of work of the respondents and their preference towards financial instruments, while investing theirmoney.
H1. There is significant difference betweennature of work of the respondent's andtheir preferene towards financial instruments, while investing theirmoney.

SCOPE OF THE STUDY

The present study is confined to preference of investment and manner in which they gather information. The areaof study is limited to Chennai District only.

RESEARCH METHODOLOGY

Research Methods: The research design employs descriptive, analytical and explorative methods. The data relating to the preference and factors considered while selecting a particular investment has been attempted with the help of questionnaire using personal interview method.

Study Area: The survey is conducted among the women in Chennai District. Mostly the study targeted working women and home makers, who are the major target audience for the research.



Data for the Study: The study basically depends on primary and secondary data.

Primary data: The study is an empirical research based on the survey method. Primary data were collected from the Women through a questionnaire.

Secondary data: The secondary data regarding the theoretical aspects of investments, investment avenues, are collected from books, journals, newspapers and from websites.

Population of the Study and Sampling Units: The Sampling frame consists of women in Chennai city. According to 2011 census women population in Chennai is 21, 24,106.

Sample Criteria: Random sampling method is used to collect the primary data. Questionnaire has been circulated to women directly and through on-line.

Sample Size: Based on the Sampling frame, with the help of the Sample Size calculator, the size of the study is determined as follows:

600 samples with the confidence level of 95% and margin of error is 4.

Totally 700 questionnaire were distributed and 680 were collected out of it. From this researcher has rejected 60 questionnaire as incomplete and the remaining 620 has been selected for the study.

Limitations of the Study

1. The results are location specific as the data has been collected from the respondents of Chennai District and therefore the conclusions drawn may not be applicable to different socio- economic conditions.
2. The study assumes that the information provided by respondent is valid and reliable.
3. Since the study is confined to the women investment behaviour only the outcome could not be generalized to other category investors. Findings will hold good only under similar conditions.
4. Few respondents are not willing to express their opinion and views on their investment and have expressed common view on investment practices.

7. Summary of Findings

1. 14 % of the respondents are in the age group of 18 to 30 yrs
2. 52 % of the respondents are in the age group of 31 to 40 yrs
3. 22 % of the respondents are in the age group of 41 to 50 yrs
4. 12 % of the respondents are in the age group of 50 yrs and above
5. 18% of the respondents having higher secondary education
6. 48% of the respondents having bachelor degree
7. 24% of the respondents having master degree
8. 10% of the respondents having professional degree
9. 32% of the respondents are home makers
10. 47% of the respondents are salaried
11. 15% of the respondents are professionals
12. 6% of the respondents are self employed
13. 52% of the respondents preferred bank fixed deposits
14. 18% of the respondents preferred insurance products
15. 9% of the respondents preferred mutual fund
16. 12% of the respondents preferred shares
17. 6% of the respondents preferred debt funds
18. 3% of the respondents preferred government bonds
19. 17% of the respondents considered liquidity as a major factor in their investments
20. 12% of the respondents considered growth as a major factor in their investments
21. 10% of the respondents considered diversity as a major factor in their investments
22. 22% of the respondents considered risk and return as a major factor in their investments
23. 25% of the respondents considered risk as a major factor in their investments
24. 14% of the respondents considered return as a major factor in their investments
25. 18% of the respondents sought advice from family for investments
26. 24% of the respondents sought advice from websites for investments
27. 26% of the respondents sought advice from news paper and magazine for investments



28. 13% of the respondents sought advice from TV or radio for investments
29. 11% of the respondents sought advice from friends for investments
30. 8% of the respondents sought advice from seminars for investments

Hypothesis Testing

| | |
|------------------------------|--|
| Null Hypothesis (Ho): | H0. There is no significant difference between age of the respondents and their preference towards financial instruments, while investing their money. |
| Alternative Hypothesis (H1): | H1. There is significant difference between age of the respondents and their preference towards financial instruments, while investing their money. |
| Chi-Square Value | K=62.394 |
| d.f=k-1 | 1 |
| Asymp. Sig. | 0.020 |
| Significance Level | 0.05 |
| 0.05>0.020 | Reject the null hypothesis |

Hypothesis 1

| | |
|------------------------------|---|
| Null Hypothesis (Ho): | H0. There is no significant difference between level of education of the respondents and their preference towards financial instruments, while investing their money. |
| Alternative Hypothesis (H1): | H1. There is significant difference between level of education of the respondents and their preference towards financial instruments, while investing their money. |
| Chi-Square Value | k=248.870 |
| d.f=k-1 | 4 |
| Asymp. Sig. | 0.000 |
| Significance Level | 0.05 |
| 0.05>0.020 | Reject the null hypothesis |

Hypothesis 2

| | |
|------------------------------|---|
| Null Hypothesis (Ho): | H0. There is no significant difference between nature of work of the respondents and their preference towards financial instruments, while investing their money. |
| Alternative Hypothesis (H1): | H1. There is significant difference between nature of work of the respondents and their preference towards financial instruments, while investing their money. |
| Chi-Square Value | k=171.493 |
| d.f=k-1 | 4 |
| Asymp. Sig. | 0.004 |
| Significance Level | 0.05 |
| 0.05>0.020 | Reject the null hypothesis |

Hypothesis 3

Inference

1. The study has proved that the age of women will have an impact in the investment pattern. It shows women in young age i.e. 18 to 30 prefer shares and most women above 30 prefer investment in safer instruments like debt and fixed deposit.
2. The study has further proved that educational qualifications have an impact on investment pattern. Women with higher qualifications have preferred more variety in investments and ready to take more risk than women with less qualification.
3. The study has also proved that nature of work has a great impact on investment pattern. Salaried women preferred more of less risk instruments and instruments which gives stable return. Professionals and self-employed preferred instruments with more return and high liquidity.
4. Still predominant women consider fixed deposit as a preferred investment.



5. Predominant women consider risk as a major influencing factor in investment.
6. News paper, magazine and websites have become a major source of information.

RECOMMENDATION

1. Women are not very confident in investing in instruments like shares which they feel more risky. So companies should try spending more on creating positive attitude towards these instruments.
2. Create more awareness and make them understand the utility of various products, so that the investment avenues will increase.
3. Target more youngsters for new products because they are ready to take risk.
4. Unique packages or products for women based on their needs have to be developed. because a working women can have a different expectation from a salaried person.
5. Try identifying hybrid instruments which has a blend of less risk and stable return.

CONCLUSION

The study on preferred investment avenues among women has been undertaken with the key objectives such as to find preferred investment avenues & the ways of gathering information. Analysis of the study was undertaken with the help of survey conducted. After the analysis & interpretation of data it is concluded that investors are preferred to invest in bank deposit and other safer instruments. The data analysis reveals that the safety is important factor while doing investment so remaining avenues are less considerable while doing investment by investors. Awareness programmes has to be conducted by stock broking firms, because most of the respondents are thinking these avenues are loss making & having no good return on it. Hence the researchers have concluded that most of the investors prefer secured regular income on investment in the study Area.

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