

Investors Socio Economic Profile and Their Investment Pattern

Sarang Shankar Bhola, Priyanka Zanvar

Abstract:

In recent times, the investment companies have emerged as the most dynamic segment in the Indian financial system. Reforms in the Indian economic system and the opening up of the economy have been the reasons for the tremendous growth in the Indian capital market. This study analyzes the impact of socio economic variables on the attitude of investors towards investments. To achieve, 770 respondents of Pune city, having different socio economic profiles were surveyed. The results also highlight that certain factors like education level, awareness about the financial system, age of invertors etc make significant impact while deciding on the investment patterns for investment. Further, it is observed that the level of income also influences the investment decisions. Higher income group shows relatively high preference towards investment in risky Investment avenues, conversely lower and average income group shows keen preference towards insurance and banks as the most preferred investment avenues.

Keywords : Socio Economic Class, Investment Pattern, Guiding Factors, Sources of Information.

Introduction :

Until the decade of the 90's, most of the middle class Indians were paying little attention to managing personal finance during their working life span and only at the time of retirement they would consult their well wishers or advisors about

some deposit schemes with banks or post office or companies which would ensure them regular monthly or quarterly returns. A very small percentage investors would experiment in stock markets or UTI schemes.

With the advent of the new millennium, needs have multiplied and changed and so have the solutions.

Now a day, Investments have become a basic necessity for everyone. In our country there is a rapid growth in investment. More number of investors is investing their funds in different types of investment opportunities. Investing wisely is a function if investors' specific needs and goals. Each investor has different objectives that need to be met depending on age, income and attitude towards risk. Investors have to work out with their investment profile to determine which investments are right for them and should consider important factors such as personal status, plans and constraints.

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Review of Literature and Research Gap:

Mukhi, (1989) has revealed that NSC has been one of the most popular tax savings instruments in this country. He has stated that contractor and others who have to provide security while bidding for contracts finds it extremely convenient to buy NSC and pledge these to the appropriate authorities while earning 12 per cent per annum on the pledged securities. He also stated that the major attraction of NSC is its simplicity. Even the average investor does not have to scratch his head to understand the scheme.

Guiso, Jappelli and Terlizzese (1996), Bajtelsmit and VenDerhei (1997), Powell and Ansic (1997), Jianakoplos and Bernasek (1998), Hariharan, Chapman and Domain (2000), Hartog, Ferrer-ICarbonell and Jonker (2002) concluded that males are more risk tolerant than females. Rajarajan. V. (2003) studies brought out the existence of strong association between demographic characteristics and the risk bearing capacity of Indian investors, the relationship between age, income and risk bearing capacity of the investors are very high. The salaried members constituted the largest part of all categories.

Sharma. B.C. and Sharma Dinesh's (2004) research paper explores the literature and points out that stock investment activity by retail investors is very low in India. This paper studied about retail investor's investment patterns behavior and attitudes that they hold about stock investing in the context is of small emerging market of Jammu. The result of the study showed that profile of retail investor as young, well informed and also regular traders. However, they hold moderately low belief towards stock market Institution's regulatory capabilities and towards safety of small investor.

V.L shobhana and J.Jayalakshmi in their study titled 'investor Awareness and Preference. A study" (2005) has examined the level of investor awareness regarding investment options and investment risks. The analysis revealed that investment in real estate/property is preferred by majority of the respondents. The second most preferred investment is bank deposits. Awareness

about investment options and risks are high among old aged, highly educated and those who are professionals by occupation. Demographic variables such as age and education do not have significant influence over investor awareness where as difference in occupational status leads to difference in the awareness level of people.

Love D.A (2010) investigated the impact of demographic shocks on optimal decisions about savings, life insurance and most certainly assets allocation and found that marital status transitions could have important effects on optimal household decisions, particularly in the cases of widowhood and divorcee. He also found that children also play a fundamental role in portfolio choice, and the literature on optimal portfolio choice over the life cycle has focused on the roles of housing costs and background risks due to labor income. His empirical evidence shows that divorce and widowhood have particularly strong effects on allocations, and that these effects differ significantly by gender, age and number of children.

Rajarajen Vanjeko (2010) individual investors are the backbone of the capital market. The growth of the capital market during the last few years has substantially increased the investor population in our country. The investment scene has undergone a sea change. This context necessitates an understanding of the characteristics of investors in terms of their investments, strategies, expectations etc. this paper presents some interesting information on this line on the basis of information collected from over thousand individual investors from eleven cities of India. This study suggests the use of these characteristics for a better understanding of individual investors and their financial product needs. It also shows investor's future investment preferences. The study reveals the increasing popularity of equity as an investment option among individual investors.

In India the research in behavioral finance is gaining attention of researchers. The researchers have been studying this subject from different perspectives. From the review it can be prominently pointed out that researchers have

approached this subject from macro perspective and tried to generalize the results. There is a need to explore the subject further at macro level on the basis of different dimensions to facilitate thinking at micro level. One approach to look at investment pattern of investors is to examine investment as per investor's Socia Economic Class. This study is an attempt in this direction.

Concept of Socio Economic Class (SEC):

In a bid to keep pace with the fast-evolving economic outlook, consumer attitudes and preferences in the country, the Media Research Users' Council (MRUC) and the Market Research Society of India (MRSI) recently unveiled a new Socio-Economic Classification (SEC) system, under which all Indian households will be now classified.

The New SEC is based on Educational Qualifications of the chief wage owner in the household; and the Number of Assets Owned (out of a pre-specified list of 11 assets). The socio-economic classification is then segregated into 12 groups based on inputs on these 2 parameters - A1, A2, A3, B1, B2, C1, C2, D1, D2, E1, E2 and E3. These 12 groups are applicable to both urban and rural India.

Research Methodology:

Present study is based on Empirical Research. Present research work is set to study following objectives.

1. To study Existing and Future investment pattern of respondents on the basis of Socio Economic Classes.

2. To understand Objectives behind investment decision making.
3. To determine guiding factors which influence investment decision Making.
4. To understand the sources of information for investment availed by respondents from different Socio Economic Classes.

Structured Schedule was used to collect primary data. It was divided into five parts. The structures were Percentage of existing investment and future preferences, Objectives behind Investment, Guiding Factors, Sources of information availed and demographic profile of sample respondents.

The scope of the research was the metropolitan city of Pune. Stratified convenient sampling technique was used to draw sample from population. Stratification is done on the basis Socio-economic Classes. These Socio-economic Classes are defined on the basis of number of household items owned and educational qualification. Samples from all groups were approached conveniently. Total sample Size was 670. Collected data are classified using electronic spread sheet; Various statistical tools like Rank, Spearman rank correlation , Paired Sample 't' test, ANOVA, are used to analyze the data.

Data Analysis and Discussions:

It deals with Investment pattern of sample respondents on the basis of Socio Economic Class. Spearman rank correlation between Existing Investment, Future Investment Preferences, Objectives behind Investment, Guiding Factors behind investment and Sources of Information availed by sample respondents are discussed .

Table 1: Spearman Rank Correlation between Socio Economic Classes and Existing Investments (n-770)

S.N		Particulars	A1	A2	A3	B1	B2	C1	C2	D1	D2	E1	E2	E3
1	A1	Correlation Coefficient	1.000	.897	.980	.931	.676	.664	.724	.455	.529	.203	.922	.710
		Sig. (2-tailed)	.	.000	.000	.000	.000	.000	.000	.000	.022	.007	.329	.000
2	A2	Correlation Coefficient	.897	1.000	.853	.913	.767	.774	.756	.601	.635	.436	.808	.814
		Sig. (2-tailed)	.000	.	.000	.000	.000	.000	.000	.000	.001	.001	.029	.000
3	A3	Correlation Coefficient	.980	.853	1.000	.909	.658	.648	.701	.414	.511	.175	.908	.679
		Sig. (2-tailed)	.000	.000	.	.000	.000	.000	.000	.040	.009	.402	.000	.000
4	B1	Correlation Coefficient	.931	.913	.909	1.000	.742	.725	.765	.574	.632	.425	.913	.830
		Sig. (2-tailed)	.000	.000	.000	.	.000	.000	.000	.003	.001	.034	.000	.000
5	B2	Correlation Coefficient	.676	.767	.658	.742	1.000	.828	.853	.832	.859	.661	.733	.840
		Sig. (2-tailed)	.000	.000	.000	.000	.	.000	.000	.000	.000	.000	.000	.000
6	C1	Correlation Coefficient	.664	.774	.648	.725	.828	1.000	.888	.827	.791	.649	.693	.872
		Sig. (2-tailed)	.000	.000	.000	.000	.000	.	.000	.000	.000	.000	.000	.000
7	C2	Correlation Coefficient	.724	.756	.701	.765	.853	.888	1.000	.723	.759	.531	.803	.913
		Sig. (2-tailed)	.000	.000	.000	.000	.000	.000	.	.000	.000	.006	.000	.000
8	D1	Correlation Coefficient	.455	.601	.414	.574	.832	.827	.723	1.000	.804	.864	.516	.739
		Sig. (2-tailed)	.022	.001	.040	.003	.000	.000	.000	.	.000	.000	.008	.000
9	D2	Correlation Coefficient	.529	.635	.511	.632	.859	.791	.759	.804	1.000	.677	.645	.820
		Sig. (2-tailed)	.007	.001	.009	.001	.000	.000	.000	.000	.000	.	.000	.000
10	E1	Correlation Coefficient	.203	.436	.175	.425	.661	.649	.531	.864	.677	1.000	.283	.661
		Sig. (2-tailed)	.329	.029	.402	.034	.000	.000	.006	.000	.000	.	.170	.000
11	E2	Correlation Coefficient	.922	.808	.908	.913	.733	.693	.803	.516	.645	.283	1.000	.765
		Sig. (2-tailed)	.000	.000	.000	.000	.000	.000	.000	.008	.000	.170	.	.000
12	E3	Correlation Coefficient	.710	.814	.679	.830	.840	.872	.913	.739	.820	.661	.765	1.000
		Sig. (2-tailed)	.000	.000	.000	.000	.000	.000	.000	.000	.000	.000	.000	.

Source: (Compiled by Researcher)

Table 1 reveals that there is significant difference between existing investment pattern of SEC E1 and SEC A1, A3, B1 and E2. There is moderate significance found between SEC D2 and SEC A1 and A3. Between SEC E1 and SEC A2 and B1, there is moderate significance between existing investments of respondents.

Following table shows spearman rank correlation between future preferences of investment pattern.

Table 2: Spearman Rank Correlation between Socio Economic Classes and Future Preferred Investment (n-770)

S.N	Particulars	A1	A2	A3	B1	B2	C1	C2	D1	D2	E1	E2	E3	
1	A1	Correlation Coefficient	1.000	.741**	.917**	.901**	.948**	.645**	.707**	.779**	.831**	.732**	.706**	.612**
		Sig. (2-tailed)	.	.000	.000	.000	.000	.001	.000	.000	.000	.000	.000	.001
2	A2	Correlation Coefficient	.741**	1.000	.706**	.763**	.804**	.645**	.676**	.749**	.717**	.728**	.621**	.605**
		Sig. (2-tailed)	.000	.	.000	.000	.000	.000	.000	.000	.000	.000	.001	.001
3	A3	Correlation Coefficient	.917**	.706**	1.000	.905**	.939**	.629**	.679**	.762**	.817**	.724**	.669**	.558**
		Sig. (2-tailed)	.000	.000	.	.000	.000	.001	.000	.000	.000	.000	.000	.004
4	B1	Correlation Coefficient	.901**	.763**	.905**	1.000	.971**	.690**	.762**	.847**	.836**	.769**	.703**	.676**
		Sig. (2-tailed)	.000	.000	.000	.	.000	.000	.000	.000	.000	.000	.000	.000
5	B2	Correlation Coefficient	.948**	.804**	.939**	.971**	1.000	.741**	.804**	.890**	.895**	.832**	.777**	.713**
		Sig. (2-tailed)	.000	.000	.000	.000	.	.000	.000	.000	.000	.000	.000	.000
6	C1	Correlation Coefficient	.645**	.645**	.629**	.690**	.741**	1.000	.883**	.863**	.817**	.776**	.704**	.782**
		Sig. (2-tailed)	.001	.000	.001	.000	.000	.	.000	.000	.000	.000	.000	.000
7	C2	Correlation Coefficient	.707**	.676**	.679**	.762**	.804**	.883**	1.000	.949**	.902**	.934**	.893**	.903**
		Sig. (2-tailed)	.000	.000	.000	.000	.000	.000	.	.000	.000	.000	.000	.000
8	D1	Correlation Coefficient	.779**	.749**	.762**	.847**	.890**	.863**	.949**	1.000	.943**	.948**	.899**	.877**
		Sig. (2-tailed)	.000	.000	.000	.000	.000	.000	.000	.	.000	.000	.000	.000
9	D2	Correlation Coefficient	.831**	.717**	.817**	.836**	.895**	.817**	.902**	.943**	1.000	.921**	.866**	.808**
		Sig. (2-tailed)	.000	.000	.000	.000	.000	.000	.000	.000	.	.000	.000	.000
10	E1	Correlation Coefficient	.732**	.728**	.724**	.769**	.832**	.776**	.934**	.948**	.921**	1.000	.947**	.868**
		Sig. (2-tailed)	.000	.000	.000	.000	.000	.000	.000	.000	.000	.	.000	.000
11	E2	Correlation Coefficient	.706**	.621**	.669**	.703**	.777**	.704**	.893**	.899**	.866**	.947**	1.000	.892**
		Sig. (2-tailed)	.000	.001	.000	.000	.000	.000	.000	.000	.000	.000	.	.000
12	E3	Correlation Coefficient	.612**	.605**	.558**	.676**	.713**	.782**	.903**	.877**	.808**	.868**	.892**	1.000
		Sig. (2-tailed)	.001	.001	.004	.000	.000	.000	.000	.000	.000	.000	.000	.

Source: (Compiled by Researcher)

Table 2 reveals that spearman rank correlation between future investment pattern of sample respondents on the basis of SEC are correlated. Moderate correlation found between SEC E3 and SEC A1, A2, A3 and B1. Also there is moderate correlation found in SEC E2 and SEC A2 and A3.

Following table shows spearman rank correlation between objectives behind investment.

Table 3: Spearman Rank Correlation between Objectives behind Investment (n-770)

S.N	Particulars	A1	A2	A3	B1	B2	C1	C2	D1	D2	E1	E2	E3	
1	A1	Correlation Coefficient	1.000	.824	.717	.851	.855	.719	.618	.587	.334	.292	.350	.282
		Sig. (2-tailed)	.	.000	.004	.000	.000	.004	.018	.027	.243	.311	.220	.329
2	A2	Correlation Coefficient	.824	1.000	.713	.877	.727	.776	.748	.794	.662	.543	.640	.453
		Sig. (2-tailed)	.000	.	.004	.000	.003	.001	.002	.001	.010	.045	.014	.104
3	A3	Correlation Coefficient	.717	.713	1.000	.898	.836	.862	.750	.696	.585	.488	.553	.412
		Sig. (2-tailed)	.004	.004	.	.000	.000	.000	.002	.006	.028	.076	.040	.143
4	B1	Correlation Coefficient	.851	.877	.898	1.000	.873	.877	.752	.719	.583	.464	.581	.425
		Sig. (2-tailed)	.000	.000	.000	.	.000	.000	.002	.004	.029	.095	.029	.130
5	B2	Correlation Coefficient	.855	.727	.836	.873	1.000	.934	.838	.748	.526	.495	.524	.502
		Sig. (2-tailed)	.000	.003	.000	.000	.	.000	.000	.002	.053	.072	.055	.068
6	C1	Correlation Coefficient	.719	.776	.862	.877	.934	1.000	.911	.838	.704	.604	.609	.528
		Sig. (2-tailed)	.004	.001	.000	.000	.000	.	.000	.000	.005	.022	.021	.052
7	C2	Correlation Coefficient	.618	.748	.750	.752	.838	.911	1.000	.844	.754	.642	.687	.683
		Sig. (2-tailed)	.018	.002	.002	.002	.000	.000	.	.000	.002	.013	.007	.007
8	D1	Correlation Coefficient	.587	.794	.696	.719	.748	.838	.844	1.000	.923	.893	.854	.738
		Sig. (2-tailed)	.027	.001	.006	.004	.002	.000	.000	.	.000	.000	.000	.003
9	D2	Correlation Coefficient	.334	.662	.585	.583	.526	.704	.754	.923	1.000	.906	.822	.685
		Sig. (2-tailed)	.243	.010	.028	.029	.053	.005	.002	.000	.	.000	.000	.007
10	E1	Correlation Coefficient	.292	.543	.488	.464	.495	.604	.642	.893	.906	1.000	.854	.779
		Sig. (2-tailed)	.311	.045	.076	.095	.072	.022	.013	.000	.000	.	.000	.001
11	E2	Correlation Coefficient	.350	.640	.553	.581	.524	.609	.687	.854	.822	.854	1.000	.861
		Sig. (2-tailed)	.220	.014	.040	.029	.055	.021	.007	.000	.000	.000	.	.000
12	E3	Correlation Coefficient	.282	.453	.412	.425	.502	.528	.683	.738	.685	.779	.861	1.000
		Sig. (2-tailed)	.329	.104	.143	.130	.068	.052	.007	.003	.007	.001	.000	.

(Source : Compiled by Researcher)

Table 3 reveals that spearman rank correlation between objectives behind investment on the basis of SEC are correlated. Difference found in objectives behind investment of SEC A1 and SEC D2, E1, E2 and E3. Moderate correlation found between SEC E1 and SEC A3, B1 and B2. Also there is moderate correlation found in SEC E2 and SEC A2 and A3.

Following table shows spearman rank correlation between guiding factors behind investment.

Table 4: Spearman Rank Correlation between Guiding Factors Behind Investment (n-770)

S.N	Particulars	A1	A2	A3	B1	B2	C1	C2	D1	D2	E1	E2	E3	
1	A1	Correlation Coefficient	1.000	.922**	.975**	.970**	.931**	.861**	.864**	.783**	.768**	.750**	.711**	.647**
		Sig. (2-tailed)	.	.000	.000	.000	.000	.000	.000	.001	.001	.001	.003	.009
2	A2	Correlation Coefficient	.922**	1.000	.944**	.942**	.974**	.955**	.922**	.843**	.847**	.803**	.713**	.628*
		Sig. (2-tailed)	.000	.	.000	.000	.000	.000	.000	.000	.000	.000	.003	.012
3	A3	Correlation Coefficient	.975**	.944**	1.000	.955**	.956**	.904**	.871**	.765**	.739**	.704**	.621*	.570*
		Sig. (2-tailed)	.000	.000	.	.000	.000	.000	.000	.001	.002	.003	.013	.026
4	B1	Correlation Coefficient	.970**	.942**	.955**	1.000	.954**	.851**	.852**	.821**	.807**	.751**	.712**	.621*
		Sig. (2-tailed)	.000	.000	.000	.	.000	.000	.000	.000	.000	.001	.003	.013
5	B2	Correlation Coefficient	.931**	.974**	.956**	.954**	1.000	.914**	.887**	.814**	.813**	.758**	.679**	.589*
		Sig. (2-tailed)	.000	.000	.000	.000	.	.000	.000	.000	.000	.001	.005	.021
6	C1	Correlation Coefficient	.861**	.955**	.904**	.851**	.914**	1.000	.965**	.825**	.826**	.844**	.713**	.651**
		Sig. (2-tailed)	.000	.000	.000	.000	.000	.	.000	.000	.000	.000	.003	.009
7	C2	Correlation Coefficient	.864**	.922**	.871**	.852**	.887**	.965**	1.000	.861**	.882**	.932**	.825**	.761**
		Sig. (2-tailed)	.000	.000	.000	.000	.000	.000	.	.000	.000	.000	.000	.001
8	D1	Correlation Coefficient	.783**	.843**	.765**	.821**	.814**	.825**	.861**	1.000	.976**	.869**	.799**	.787**
		Sig. (2-tailed)	.001	.000	.001	.000	.000	.000	.000	.	.000	.000	.000	.000
9	D2	Correlation Coefficient	.768**	.847**	.739**	.807**	.813**	.826**	.882**	.976**	1.000	.918**	.886**	.858**
		Sig. (2-tailed)	.001	.000	.002	.000	.000	.000	.000	.000	.	.000	.000	.000
10	E1	Correlation Coefficient	.750**	.803**	.704**	.751**	.758**	.844**	.932**	.869**	.918**	1.000	.946**	.860**
		Sig. (2-tailed)	.001	.000	.003	.001	.001	.000	.000	.000	.000	.	.000	.000
11	E2	Correlation Coefficient	.711**	.713**	.621*	.712**	.679**	.713**	.825**	.799**	.886**	.946**	1.000	.933**
		Sig. (2-tailed)	.003	.003	.013	.003	.005	.003	.000	.000	.000	.000	.	.000
12	E3	Correlation Coefficient	.647**	.628*	.570*	.621*	.589*	.651**	.761**	.787**	.858**	.860**	.933**	1.000
		Sig. (2-tailed)	.009	.012	.026	.013	.021	.009	.001	.000	.000	.000	.000	.

(Source: Compiled by Researcher)

Table 4 reveals that spearman rank correlation between guiding factors behind investment on the basis of SEC are correlated. Moderate correlation found between SEC E3 and SEC A1, A2, A3, B1, B2 and C1.

Following table shows spearman rank correlation between Sources of information availed by sample respondents.

Table 5: Spearman Rank Correlation between Sources of Information Availed (n-770)

S.N	Particulars	A1	A2	A3	B1	B2	C1	C2	D1	D2	E1	E2	E3	
1	A1	Correlation Coefficient	1.000	.926**	.966**	.936**	.933**	.775**	.744**	.631**	.620**	.693**	.668**	.623**
		Sig. (2-tailed)	.	.000	.000	.000	.000	.000	.001	.007	.008	.002	.003	.008
2	A2	Correlation Coefficient	.926**	1.000	.914**	.924**	.926**	.830**	.820**	.740**	.679**	.774**	.668**	.600*
		Sig. (2-tailed)	.000	.	.000	.000	.000	.000	.000	.001	.003	.000	.003	.011
3	A3	Correlation Coefficient	.966**	.914**	1.000	.958**	.955**	.792**	.779**	.677**	.669**	.730**	.713**	.663**
		Sig. (2-tailed)	.000	.000	.	.000	.000	.000	.000	.003	.003	.001	.001	.004
4	B1	Correlation Coefficient	.936**	.924**	.958**	1.000	.978**	.867**	.866**	.783**	.765**	.834**	.796**	.755**
		Sig. (2-tailed)	.000	.000	.000	.	.000	.000	.000	.000	.000	.000	.000	.000
5	B2	Correlation Coefficient	.933**	.926**	.955**	.978**	1.000	.879**	.886**	.818**	.801**	.854**	.833**	.777**
		Sig. (2-tailed)	.000	.000	.000	.000	.	.000	.000	.000	.000	.000	.000	.000
6	C1	Correlation Coefficient	.775**	.830**	.792**	.867**	.879**	1.000	.940**	.910**	.917**	.932**	.863**	.855**
		Sig. (2-tailed)	.000	.000	.000	.000	.000	.	.000	.000	.000	.000	.000	.000
7	C2	Correlation Coefficient	.744**	.820**	.779**	.866**	.886**	.940**	1.000	.943**	.912**	.975**	.937**	.881**
		Sig. (2-tailed)	.001	.000	.000	.000	.000	.000	.	.000	.000	.000	.000	.000
8	D1	Correlation Coefficient	.631**	.740**	.677**	.783**	.818**	.910**	.943**	1.000	.968**	.975**	.889**	.849**
		Sig. (2-tailed)	.007	.001	.003	.000	.000	.000	.000	.	.000	.000	.000	.000
9	D2	Correlation Coefficient	.620**	.679**	.669**	.765**	.801**	.917**	.912**	.968**	1.000	.958**	.894**	.888**
		Sig. (2-tailed)	.008	.003	.003	.000	.000	.000	.000	.000	.	.000	.000	.000
10	E1	Correlation Coefficient	.693**	.774**	.730**	.834**	.854**	.932**	.975**	.975**	.958**	1.000	.943**	.916**
		Sig. (2-tailed)	.002	.000	.001	.000	.000	.000	.000	.000	.000	.	.000	.000
11	E2	Correlation Coefficient	.668**	.668**	.713**	.796**	.833**	.863**	.937**	.889**	.894**	.943**	1.000	.975**
		Sig. (2-tailed)	.003	.003	.001	.000	.000	.000	.000	.000	.000	.000	.	.000
12	E3	Correlation Coefficient	.623**	.600*	.663**	.755**	.777**	.855**	.881**	.849**	.888**	.916**	.975**	1.000
		Sig. (2-tailed)	.008	.011	.004	.000	.000	.000	.000	.000	.000	.000	.000	.

(Source: Compiled by Researcher)

Table 5 reveals that spearman rank correlation between Sources of Information availed by sample respondents on the basis of SEC are correlated. Moderate correlation found between SEC E3 and SEC A1, A2, and A3. Also there is moderate correlation found between SEC E2 and SEC A1, A2.

Analysis of Existing Investment in Investment Instruments:

Following table shows ANOVA testing of investment instruments according to socio economic class of respondents. ANOVA is calculated on the Existing Investments of the respondents. The data for existing investment is normalized.

Table 6: ANOVA Testing of Investment Instruments

(n-710)

ANOVA							
S. N.			Sum of Squares	df	Mean Square	F	Sig.
1	NSC	Between Groups	503.14	11	45.740	3.219	.000
		Within Groups	9918.02	698	14.209		
		Total	10421.16	709			
2	PPF	Between Groups	5099.60	11	463.600	4.110	.000
		Within Groups	78741.95	698	112.811		
		Total	83841.55	709			
3	Bank Fixed Deposits	Between Groups	119926.51	11	10902.410	17.882	.000
		Within Groups	425572.65	698	609.703		
		Total	545499.15	709			
4	PO Schemes	Between Groups	12148.19	11	1104.380	11.032	.000
		Within Groups	69877.31	698	100.111		
		Total	82025.49	709			
5	Govt Securities	Between Groups	400.15	11	36.377	1.572	.102
		Within Groups	16155.10	698	23.145		
		Total	16555.25	709			
6	Insurance	Between Groups	8490.13	11	771.830	2.609	.003
		Within Groups	206486.66	698	295.826		
		Total	214976.80	709			
7	Mutual Funds	Between 8Groups	4162.08	11	378.371	9.554	.000
		Within Groups	27644.40	698	39.605		
		Total	31806.48	709			
8	ELSS	Between Groups	115.78	11	10.525	2.749	.002
		Within Groups	2672.11	698	3.828		
		Total	2787.89	709			
9	Debentures	Between Groups	156.79	11	14.254	1.718	.065
		Within Groups	5789.82	698	8.295		
		Total	5946.62	709			
10	Bonds	Between Groups	1080.32	11	98.211	7.524	.000
		Within Groups	9111.23	698	13.053		
		Total	10191.55	709			

S. N.			Sum of Squares	df	Mean Square	F	Sig.
11	Gold	Between Groups	8470.92	11	770.084	6.418	.000
		Within Groups	83755.87	698	119.994		
		Total	92226.80	709			
12	Company Deposits	Between Groups	155.74	11	14.158	2.205	.013
		Within Groups	4482.15	698	6.421		
		Total	4637.89	709			
13	SIP	Between Groups	1351.27	11	122.843	2.145	.016
		Within Groups	39977.04	698	57.274		
		Total	41328.31	709			
14	ULIP	Between Groups	342.91	11	31.173	3.748	.000
		Within Groups	5804.98	698	8.317		
		Total	6147.89	709			
15	Commodity Market	Between Groups	441.99	11	40.180	5.551	.000
		Within Groups	5051.99	698	7.238		
		Total	5493.98	709			
16	NBFC	Between Groups	5.50	11	.500	1.799	.051
		Within Groups	193.94	698	.278		
		Total	199.44	709			
17	Livestock	Between Groups	3330.02	11	302.729	4.276	.000
		Within Groups	49415.56	698	70.796		
		Total	52745.58	709			
18	Real Estate	Between Groups	2266.63	11	206.057	3.515	.000
		Within Groups	40923.57	698	58.630		
		Total	43190.19	709			
19	Chit Funds	Between Groups	5914.54	11	537.686	2.198	.013
		Within Groups	170721.94	698	244.587		
		Total	176636.48	709			
20	Shares	Between Groups	4363.91	11	396.719	7.765	.000
		Within Groups	35660.88	698	51.090		
		Total	40024.79	709			
21	Forex Market	Between Groups	40.45	11	3.678	1.336	.200
		Within Groups	1921.83	698	2.753		
		Total	1962.29	709			
22	Private Equity	Between Groups	4.81	11	.437	.889	.551
		Within Groups	342.94	698	.491		
		Total	347.75	709			

S. N.			Sum of Squares	df	Mean Square	F	Sig.
23	Credit Society	Between Groups	12600.16	11	1145.469	6.448	.000
		Within Groups	123994.52	698	177.643		
		Total	136594.68	709			
24	Any Others	Between Groups	6172.06	11	561.097	5.056	.000
		Within Groups	77462.58	698	110.978		
		Total	83634.65	709			

(Source: Compiled by Researcher)

Table 6 shows that Kruskal Wallis test is significant with investment instruments namely NSC, PPF, Bank Deposits, PO Schemes, Insurance, Mutual Funds, ELSS, Bonds, Gold/Silver, Company Deposits, SIP, ULIP, Commodity, Live Stock, Real Estate, Chit Funds, Shares, and Credit Society. These instruments are significant at 95% confidence level. It means that above mentioned investment instruments show significant difference between different Socio Economic Classes.

Above test results are cross verified with Kruskal Wallis test.

Table 7: Kruskal Wallis Test between Investment Instruments

(n-710)

S.N	Investment Avenues	Chi-Square	d.f	Asymp. Sig.
1	NSC	36.35	11	0.00
2	PPF	61.80	11	0.00
3	Bank Fixed Deposits	139.93	11	0.00
4	PO Schemes	110.25	11	0.00
5	Government Securities	25.56	11	0.01
6	Insurance	75.76	11	0.00
7	Mutual Funds	127.53	11	0.00
8	ELSS	35.67	11	0.00
9	Debentures	25.53	11	0.01
10	Bonds	84.72	11	0.00
11	Gold/ Silver	80.09	11	0.00
12	Company Deposits	25.19	11	0.01
13	Systematic Investment Plan	53.89	11	0.00
14	ULIP	40.17	11	0.00
15	Commodity Market	60.59	11	0.00
16	NBFC Schemes	19.54	11	0.05
17	Live Stock	55.94	11	0.00
18	Real Estate	57.48	11	0.00
19	Chit Funds	15.34	11	0.17
20	Shares	108.96	11	0.00

S.N	Investment Avenues	Chi-Square	d.f	Asymp. Sig.
21	Forex Market	11.67	11	0.39
22	Private Equity Investments	10.68	11	0.47
23	Credit Society	51.69	11	0.00
24	Any Other	33.38	11	0.00

(Source: Compiled by Researcher)

Table 7 shows that Kruskal Wallis test is significant with investment instruments namely NSC, PPF, Bank Deposits, PO Schemes, Govt. Securities, Insurance, Mutual Funds, ELSS, Debentures, Bonds, Gold / Silver, Company Deposits, SIP, ULIP, Commodity, NBFC Schemes, Live Stock, Real Estate, Shares, and Credit Society. These instruments are significant at 95% confidence level. It means that there is significant difference between above mentioned investment instruments on the basis of Socio Economic Classes.

Following part shows classification of investment avenues on the basis of risk level. They are classified safer investment avenues and Riskier investment avenues.

Safe Investment avenues are NSC, PPF, Bank deposits, PO Schemes, Insurance, and Government Securities.

Following table shows ANOVA test between safer investment avenues and Socio Economic Classes.

Table 8: ANOVA Test between Safer Investment Avenues and Socio Economic Class

(n-710)

ANOVA					
Safer Investment avenues					
	Sum of Squares	df	Mean Square	F	Sig.
Between Groups	433.452	11	39.405	.167	.999
Within Groups	14140.504	60	235.675		
Total	14573.956	71			

Source (Compiled by Researcher)

Table 8 shows that there is no significant difference between safer investment avenues on the basis of Socio Economic Class.

Similarly, following table narrates ANOVA Testing between riskier investment avenues.

Table 9: ANOVA Test between Safer Investment Avenues and Socio Economic Class

(n-710)

ANOVA					
Risky					
	Sum of Squares	df	Mean Square	F	Sig.
Between Groups	140.42	11	12.766	.756	.683
Within Groups	3646.54	216	16.882		
Total	3786.97	227			

Source (Compiled by Researcher)

Table 9 shows that there is no significant difference between riskier investment avenues on the basis of Socio Economic Class.

Findings:

Spearman Rank Correlation reveals that there is significant difference between existing investment pattern of SEC E1 and SEC A1, A3, B1 and E2. There is moderate significance found between SEC D2 and SEC A1 and A3. Between SEC E1 and SEC A2 and B1, there is moderate significance between existing investments of respondents. (Table 1)

Future investment pattern of sample respondents on the basis of SEC are correlated. Moderate correlation found between SEC E3 and SEC A1, A2, A3 and B1. Also there is moderate correlation found in SEC E2 and SEC A2 and A3. (Table 2)

Spearman rank correlations between objectives behind investment on the basis of SEC are correlated. Difference found in objectives behind investment of SEC A1 and SEC D2, E1, E2 and E3. Moderate correlation found between SEC E1 and SEC A3, B1 and B2. Also there is moderate correlation found in SEC E2 and SEC A2 and A3. (Table 3)

Guiding factors behind investment on the basis of SEC are correlated. Moderate correlation found between SEC E3 and SEC A1, A2, A3, B1, B2 and C1. (Table 4)

Sources of Information availed by sample respondents on the basis of SEC are correlated. Moderate correlation found between SEC E3 and SEC A1, A2, and A3. Also there is moderate correlation found between SEC E2 and SEC A1, A2. (Table 5)

On the basis of Investment instruments, ANOVA model is significant with investment instruments namely NSC, PPF, Bank Deposits, PO Schemes, Insurance, Mutual Funds, ELSS, Bonds, Gold/Silver, Company Deposits, SIP, ULIP, Commodity, Live Stock, Real Estate, Chit Funds, Shares, and Credit Society. (Table 6 and Table 7)

In the process of classification of investment into safer and riskier investment avenues, there is no significant difference between safer investment

avenues and there is no significant difference between riskier investment avenues. (Table 8 and Table 9)

Suggestions:

Marketers of financial products should target all Socio Economic classes of the economy.

While targeting investors from lower Socio Economic Classes, Service providers should focus on designing products for the specific needs of the poor. The products should be low cost in order to increase take-up, and, where trade-offs must be made, low fees are more important than high interest rates. Marketers have to offer a range of products specifically designed to help people save for multiple purposes and to cope with emergencies. Also financial service providers' can facilitate access to accounts by subsidizing fees and offering add-on services like reminders to save.

Investors from middle Socio Economic Classes have major objectives as tax planning, retirement planning and financing children's education. Therefore, by considering these objectives, marketers have to offer a range of products to encourage household savings. While offering investment products, company should make people aware about the various investment options available in the market. Every client should be given a personnel assistance to give him/her a regular & consistent service.

While targeting investors from higher Socio Economic Classes, service providers should focus on diversified portfolio. Companies have to target their best customers, form close, personal relationships with them, and give them what they want i.e called Customized product.

Therefore, marketers have to understand these factors and accordingly target the customers.

Conclusion:

The study on people's choice in Investment Choices has been undertaken with the objective, to analyze the investment pattern of investors on the basis of Socio Economic Classes. Respondents

from all the Socio Economic Classes give more preference to invest in Insurance, NSC, PPF and Bank Deposit. Income level of a respondent is also an important factor which affects portfolio of the respondent. Middle age group, Lower income level groups respondents are preferred to invest in Insurance, NSC, PPF and bank deposit rather than any other investment avenues. The purpose of this study was to determine investment patterns on the basis of Socio Economic Class of investors. These type of studies are becoming roadmap to marketer of Financial instruments to design their investment products.

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