

A STUDY ON THE FACTORS INFLUENCING INVESTORS DECISIONS IN INVESTING IN SHARES WITH SPECIAL REFERENCE TO GENDER IN BIKANER

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ABSTRACT

With a sample of one hundred investors in Bikaner, Rajasthan, the current study aims to identify the key determinants of their share investment decisions. Behavior finance is a revolution in the finance business that has emerged and developed. When making decisions about their investments, investors hardly ever act rationally. Essentially, investors take action based only on the facts at their disposal. Prior to making an investment in the equities market, a great deal of thought must be given. One must take ratio analysis into account. When making an investment in the capital market, one must consider a comprehensive economic study as well as the technical and financial evaluation of the company. The objective of research project is to ascertain how male and female investors perceive different factors that should be taken into account when making equity market investments. The aim of this research is to summarize how different types of investors—male and female—feel about different investing options. From the cities of Bikaner, the researchers have collected 52 female and 47 male contributors. To verify the hypothesis, the study employs mean scores and an independent t-test. The article ends by recommending that, before purchasing shares, investors attempt to conduct fundamental, technical, and financial research. Investing in various assets requires investors, regardless of gender, to consider all available options. While allocating their money, investors ought to consider all options. Investors should select riskier or less risky assets based on their age, as certain investments carry a higher risk than others.

Keywords: Financial Literacy, Stock Market Participation. Investment, Profitability

1. INTRODUCTION

Research on people's investment decisions and market outcomes are scientifically influenced by the information configuration and characteristics of capital market players. When making investing decisions, investors almost never behave rationally. Individuals' financial decisions are significantly influenced by certain limitations of investors, such as cognitive and poignant deficiencies. When making financial decisions, they exhibit behavioral biases. They just respond to the information that is at their disposal and take action in line with the financial climate. Decision for investment depends upon different factors of investors s.a. psychosocial factor, demographic factor, gender factor etc. Investors support certain paths despite having all the necessary resources and infrastructure after examining

various environmental influences. Several factors impact investors' opinions of different types of investments. Because of the financial market's significant influence on the nation's economic growth, saving and mobilizing savings are essential to the process. The ability of the economy to produce goods and services that affect the general public's standard of living is enhanced when savings are directed into profitable ventures. In order to finance the implementation of projects, particularly those involving capital, the secondary market will successfully accelerate economic progress savings and investment through the purchase of public and private securities as well as other securities is encouraged.

2. REVIEW OF LITERATURE

For investors, equity investment has emerged as one of the most alluring options. They must manage a number of variables that affect their investing decision-making in order to reach their long-term financial objectives. This literature review focus on the drivers of the equity investment decisions. Ying Zhang (2011) defines investment as the purchase of things that are not being used right now. Investment may be further classified into three categories: short-term, medium-term, and long-term, depending on the time horizon.

According to Daudert "Exploiting textual and relationship information for fine-grained financial sentiment analysis" in influencing the investor behavior, the media plays a crucial role as well. Stock market updates and news that are sensationalized or biased may affect how investors feel and behave (Daudert, 2021). Investors who aren't cautious may lose money as a result of false or inadequately vetted news. It is also important to consider the impact of social media on investment behavior. Share prices might fluctuate in response to emotional responses sparked by trending tweets or postings. The attention of many investors has been drawn to new trends like meme stocks, in which the stocks of particular companies gain popularity due to their social media popularity.

When making stock investing selections, investors have traditionally relied mostly on fundamental analysis. Important variables to take into account in fundamental research include stock valuation, earnings growth, and corporate success. Effective fundamental analysis can enhance stock investment success, per studies by Kulkarni & Chirputkar (2014), Kumar et al. (2022), and Tang et al. (2020). According to their findings, stocks with solid fundamentals typically beat those with weak ones. Still, market emotion has the potential to impact fundamental analysis as well. Stock prices can be impacted by psychological variables as well as how the market views particular news and events. Market sentiment, particularly in stock markets that are susceptible to shifts in economic sentiment, can have a significant impact on investor behavior, according to research by Capatina et al. (2020).

Funds invested in one or more assets that will be required in the future are also referred to as investments (Fadli & Wijayanto, 2020). Thus, the definition of an investment is the long-term, profit-driven investment in an asset. The decision-making process while making investments is greatly influenced by the complicated and varied behavior of investors. In financial research, investor behavior models have received a lot of attention, particularly in the two main paradigms of behavioral finance and market efficiency theory a lot of financial markets research has been built around the principles of market efficiency theory. According to this theory, stock prices represent the intrinsic value of the company by taking into account all information that is available in the market (Friederich & Payne, 2015). Furinto, A., Tamara, D., Yenni, & Rahman, N. J. (2023) found that Digital literacy is the capacity

to comprehend and use knowledge from a variety of commonplace sources. It is based on computer and information literacy. Digital literacy can also be defined as the ability to critically analyze and assess information obtained from digital media. These two perspectives lead to the conclusion that technical abilities in information access, compilation, comprehension, and dissemination are more closely associated with digital literacy. Because they have fewer criteria and can always be monitored, investments are easier to obtain and can be made faster in the digital age. But you have to adhere to the fundamentals of investing, which include extra funds; taking into account the fit between individual risk appetites and the attributes of each asset; establishing tolerance boundaries to minimize loss; diversifying; and, above all, establishing investment objectives.

3. IMPORTANCE AND NEED OF THE STUDY

Investors have been found to be more dedicated and to have picky tastes when it comes to their investments. Studying the variables that compel people to choose certain investment options is therefore essential. It is essential in influencing investor behavior and the way they dispose of their money, which leads to the appropriate use of funds being observed.

The primary drivers of investor behavior and decision-making, as well as the many financial institutions, banks, companies, and advisors and consultants, will all benefit from this research.

Research shows that investors tend to be more loyal and have particular preferences when it comes to picky investments. Hence, it is essential to examine the conditions that influence their choice of investments. The way investors behave and how they dispose of their money is greatly influenced by it, which leads to the observation of appropriate financial management.

4. OBJECTIVES

To investigate and analyze the factors influencing investment decisions in the share market, with a special focus on the impact of gender among investors in Bikaner.

5. RESEARCH METHODOLOGY

Research objective: The study is empirical in nature, and convenience sampling was used to gather a sample of 100 individual investors. primary data was used in the data collection process, which involved using a questionnaire. People who purchase shares in Bikaner, Rajasthan are the subject of this study. Expert opinions regarding the trend of investing in shares in these cities have been gathered from a variety of sources in Bikaner, Rajasthan. These experts' opinions have been factored into share capital investments.

- RESEARCH TYPE: Empirical research
- SAMPLE SIZE: 100
- SAMPLING TECHNIQUE: Random
- TYPE OF DATA: Primary Data
- DATA COLLECTION TECHNIQUE: Closed ended Questionnaire through Survey Form, Google Form
- TOOLS AND TECHNIQUES: Ms Excel, SPSS, PSPP, JASP, Bar Graph, Pie chart

The study made by use of instruments such as the Two-way Anova Test. The Two-way Anova test was employed to rigorously analyze and quantify the observed variations in responses among the 47 male and 52 female respondents regarding their perspectives on factors influencing investment decisions in the share market. This statistical tool enabled a comprehensive examination of the categorical data, providing insights into whether the differences in responses were statistically significant or merely due to chance. The results of the Anova test illuminated patterns and trends in the data, helping to discern any gender-specific inclinations in the considerations for share market investments. By scrutinizing the observed and expected frequencies across various factors, the test contributed to a robust understanding of how male and female respondents differ in their prioritization of key elements, offering valuable insights for investors, analysts, and market observers.

6. DATA COLLECTION

In the dynamic realm of the share market, making informed investment decisions is crucial. Analyzing the responses of 47 male and 52 female respondents, a Anova test was conducted to gauge their perspectives on various factors influencing investment choices.

- 1) **INFORMATION AVAILABILITY:** Both genders weigh the availability of information, with 23 males and 28 females emphasizing its importance. This factor sets the foundation for well-informed investment decisions.
- 2) **PROFITABILITY EVALUATION:** An equal emphasis on profitability evaluation is evident, with 10 male and 23 female respondents from both genders recognizing the significance of assessing a company's ability to generate returns.
- 3) **CONSISTENT GROWTH:** When it comes to checking for consistent growth in revenue and bottom-line figures, 13 males and 15 females understand its impact on long-term investment prospects.
- 4) **DIVIDEND PAYOUTS:** Males lean slightly more towards considering cash payouts, with 12 male respondents, while 13 females prioritize dividends. This divergence highlights varied preferences regarding returns on investments.
- 5) **STOCK SIZE, PRICE, AND VALUATION:** Considering the size, price, and valuation of the stock, 10 males and 12 females recognize its importance. This factor underscores the significance of financial metrics in making investment decisions.
- 6) **SECONDARY MARKET CONDITIONS:** Both genders acknowledge the influence of secondary market conditions, with 8 males and 14 females understanding the need to consider external factors shaping the investment landscape.
- 7) **FINANCIAL REPORTS EVALUATION:** Assessing financial reports is a shared concern, as 8 males and 13 females recognize its pivotal role in gaining insights into a company's fiscal health.
- 8) **COMPANY IMAGE:** Males emphasize the company's image more, with 13 respondents, while 17 females also acknowledge its importance. This reflects a nuanced perception of brand reputation in investment decisions.

Table 1

Table 1 Showing the Number of Factors Considered by the Male and Female Before Investing in Share Market				
S.NO.	FACTOR THAT YOU WILL CONSIDER BEFORE INVESTING IN SHARE MARKET:	MALE	FEMALE	
1	Information availability	23	28	
2	Evaluate the Profitability of the company	10	23	
3	Check whether the revenue and the bottom line are showing consistent growth	13	15	
4	Look for cash payouts to stock investors in the form of a dividend	12	13	
5	Consider the size, price and valuation of the stock	10	12	
6	Secondary market conditions	8	14	
7	Evaluate financial reports	8	13	
8	Company image	13	17	

7. HYPOTHESIS

- Null Hypothesis (H₀): There is no significant difference between gender and factors considered before investing in the stock market.
- Alternative Hypothesis (H₁): There is a significant difference between gender and factors considered before investing in the stock market.
- Level of significance: 0.05

Testing of Hypothesis

Test used for testing of Hypothesis = Two-way Annova Test

Table 2

Table 2 Calculation of Total Number Of Responses				
S.NO.	Factor that you will consider before investing in Share market:	MALE(X ₁)	FEMALE(X ₂)	TOTAL
1	Information availability	23	28	51
2	Evaluate the Profitability of the company	10	23	33
3	Check whether the revenue and the bottom line are showing consistent growth	13	15	28
4	Look for cash payouts to stock investors in the form of a dividend	12	13	25
5	Consider the size, price and valuation of the stock	10	12	22
6	Secondary market conditions	8	14	22
7	Evaluate financial reports	8	13	21
8	Company image	13	17	30
TOTAL		97	135	232

Table 3

Table 3 Calculation of P-value					
Source	Degree of freedom	Sum of Square (SS)	Mean Square (MS=SS/df)	F value (SS/MS(Error))	P-value
Factor A - rows (A)	K=(count-1) =7	340	48.5714	6.8342 (7,7)	0.01067

Factor B - columns (B)	(count-k) =1	90.25	90.25	12.6985 (1,7)	0.009176
Error	7	49.75	7.1071		
Total	15	480	32		

8. ANALYSIS AND INTERPRETATION

Factor – A

the p-value $< \alpha$, H_0 is rejected.

P-value: The p-value equals 0.01067, ($P(x \leq 6.8342) = 0.9893$). It means that the chance of type I error (rejecting a correct H_0) is small: 0.01067 (1.07%). The smaller the p-value the more it supports H_1 .

Factor - B

the p-value $< \alpha$, H_0 is rejected.

P-value: The p-value equals 0.009176, ($P(x \leq 12.6985) = 0.9908$). It means that the chance of type I error (rejecting a correct H_0) is small: 0.009176 (0.92%). The smaller the p-value the more it supports H_1 .

Hence, it is concluded that There is a significant difference between gender and factors considered before investing in the stock market. Gender plays the significant role while investing in equity. Both male and female consider different factor.

Figure 1

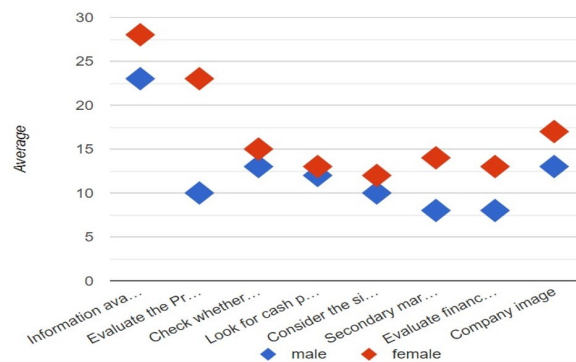


Figure 1 Showing the Average of Male and Female Responses

Figure 2

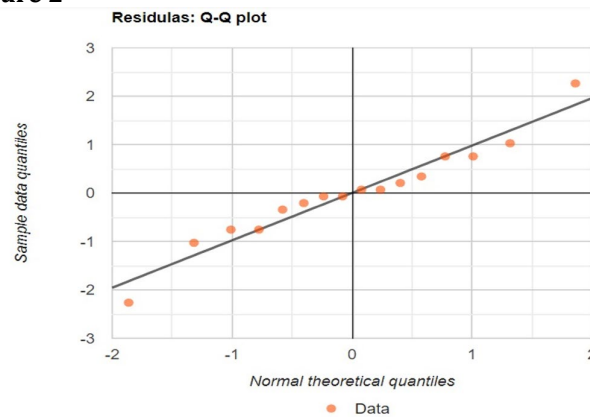


Figure 2 Showing the Residuals

Figure 3

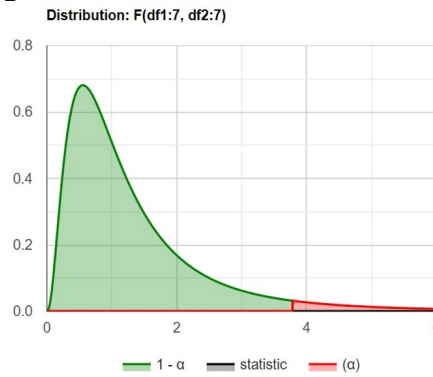


Figure 3 Showing the Distribution

Figure 4

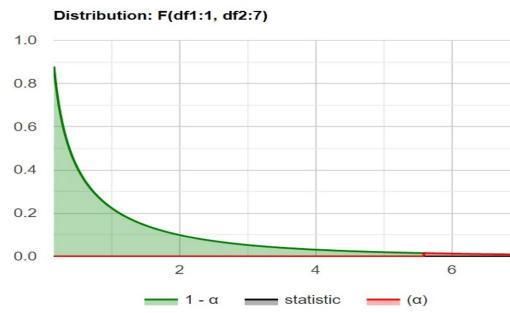


Figure 4 Showing the Distribution

Figure 5

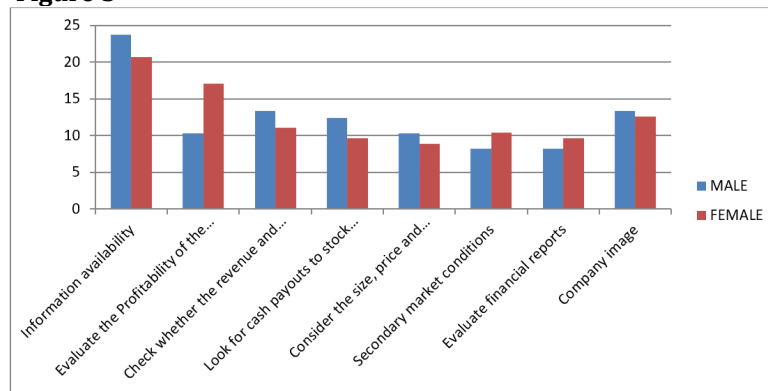


Figure 5 Figure Showing the Comparison Between Male and Female Responses in Different Factors.

9. CONCLUSION

- Information availability is considered mostly by male and female respondents.
- Males focus more on factors such as information availability, checking revenue, looking for cash payouts, considering size, price, and company

image, while females focus more on evaluating profitability, secondary market conditions, and evaluating financial reports.

- As a result of the test, it was proven that there is a significant difference between genders and factors to consider before investing in the stock market.

10. RECOMMENDATIONS

It is suggested that you consider all the factors before investing in the stock market. Planning for taxes, future demands, the safety of investments, recurrent income, and other factors are all important to take into account while investing. Therefore, each investor should take these factors into consideration based on their own needs.

11. LIMITATIONS

- A number of restrictions apply to the study:
- It is limited to a study of one city (Bikaner, Rajasthan)
- It only considers stock shares as an investment channel, despite the fact that investors have many other options.
- The decision to make an investment is dependent on a number of circumstances. However, the current study only considers the single criterion of "gender"; also, the study's sample size is limited to one hundred individual investors.

CONFLICT OF INTERESTS

None.

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