PERCEPTION AND INTERPRETATION OF THE NEW ISSUE MARKET AMONG RETAIL INVESTORS- A THEMATIC REVIEW

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ABSTRACT

Higher participation of retail investors in the New Issue Market (NIM), specifically of Initial Public Offerings (IPOs), has been causing concern regarding the extent of financial literacy and well-informed decision-making expected of them. The current review paper critically analyzes the financial literacy of retail investors in the context of the NIM, specifically their comprehension of benefits, risks, regulatory protection, and common myths. While IPOs are typically high-return investments, retail investors as a whole undergo the process without much knowledge of the processes involved, e.g., pricing mechanisms, allocation procedures, and disclosure mandates. Such surface-level knowledge will typically lead to unrealistic suppositions and a higher susceptibility to market speculative and hype situations.

The research also addresses popular misconceptions in IPO investments that every IPO is profitable or that an oversubscription is a sign of quality — and examines the impact on the behavior of investors. The article also points out the useful role of the Securities and Exchange Board of India (SEBI) towards investor education, bringing transparency, and practicing regulation through regulatory protective mandatory disclosures like the Red Herring Prospectus and warning investors against risk. Drawing on secondary data and thematic synthesis of the literature, the paper highlights the necessity for focused financial literacy interventions in bridging the gap between awareness and in-depth understanding of the NIM among retail investors.

Keywords: New Issue Market, Financial Literacy, SEBI, IPO Myths and Risks

1. INTRODUCTION
1.1. CONTEXT

New Issue Market (NIM), or the primary market, plays a key role in creating capital by providing businesses with a means of raising funds through Initial Public Offerings (IPOs) and other instruments. Retail investors' participation in IPOs over the past few years has seen spectacular spurts, especially in emerging economies such as India. SEBI (2023) cited that more than 7 million retail applications for a few of the big IPOs were submitted in the period between 2021–2023, indicating rising interest in equity markets. It is because of better financial inclusion, access to investment facilities through digital channels and expectation of high returns that IPOs are associated with.

In spite of increased participation, studies have documented that retail investors are poorly informed about the processes, risks, and regulatory environments associated with IPO investment (Raut et al., 2019; Joshi & Patel, 2021). In spite of advantages like entering high-growing firms early on, IPOs expose threats like volatility, pricing inefficiencies, and euphoria over misleading information (Kumar & Goyal, 2020). Besides, non-regulatory sources such as social media and YouTube influencers tend to influence the perceptions of retail investors, which may not be fact-based or as per disclosures mandated by regulators (Verma & Kapoor, 2022).

1.2. PROBLEM STATEMENT

In spite of the reality that the share of retail investors participating in the NIM has grown exponentially, there is a very unsettling gap between passive investment and wise investing. Research has found that retail investors generally lack comprehensive financial literacy, specifically with respect to their familiarity with technical terms like the Red Herring Prospectus, book-building process, price bands, and SEBI-mandated disclosures (Reddy & Rao, 2020). In addition, myths like "oversubscribed IPOs are always profitable" or "government-sponsored IPOs are risk-free" still dictate investment choices (Sharma & Sinha, 2021).

This kind of disconnect between perceived knowledge and genuine understanding not just impacts investment results but also thwarts the dream of a prudent and transparent capital market. Besides, though SEBI has launched several investor education programs; it remains to be seen whether these are helpful to retail investors in reaching any substantial depths of understanding (SEBI, 2023; Chaudhary & Mehta, 2021). This paper therefore attempts to study the existing literature and regulatory initiatives to understand the degree of awareness and knowledge among retail investors toward the NIM, understand the commonly occurring misconceptions, and make proposals for policy and education intervention spheres.

1.3. RESEARCH OBJECTIVES

1) To assess the level of financial literacy among retail investors in relation to the New Issue Market (NIM), including their understanding of its benefits and associated risks.
2) To explore common myths and misconceptions held by retail investors about IPO investments and the functioning of the NIM.
3) To study the role of SEBI in enhancing investor awareness and protection in the NIM through guidelines, disclosures, and investor education initiatives.

2. LITERATURE REVIEW

Individual investors have constituted a major segment of the New Issue Market (NIM), particularly with the rise in the number of Initial Public Offerings (IPOs) post-2020. Their level of financial literacy and knowledge regarding how the NIM functions, however, remains questionable. The literature available is utilized on earlier research on the dimensions of financial literacy, perceived benefits and risk, myths and fallacies, and the role played by SEBI and regulatory norms in framing retail investor attitude in the primary market.

2.1. FINANCIAL LITERACY AND AWARENESS

Financial awareness is the backbone of well-informed investment choices. Reddy and Rao (2020) describe how financial awareness in India is still dispersed unevenly, particularly among inexperienced retail investors who are investing in IPOs. Their research, where they surveyed 450 retail investors spread across four states in India, established that more than 60% of the respondents were not aware of basic IPO elements such as the Red Herring Prospectus or book-building effects.

In the same vein, Singh and Bansal (2018) contended that Indian investors' financial literacy is generally centered on the issue of dealing in the secondary market with little regard for the complexities in the primary market. Their evidence highlighted that most of the investors engage in stock tips from unofficial channels without even properly appreciating the underlying offering documents or long-term financial objectives of the issuer. Such lack of knowledge undermines investor protection and market efficiency.

In addition, Das and Jain (2021) established that young investors are bound to associate IPOs with prompt returns and quick profits because of online hype, in addition to meticulous due diligence involved in such high-risk investment decisions.

2.2. BENEFITS AND RISK

Individual investors are bound to be attracted to perceived IPO advantages, i.e., the possibility of making short-term profits, listing-day premia, and access to newly listed firms. Kumar and Goyal (2020) warn, however, since such perceptions are likely to ignore inherent risks such as market volatility, price manipulation, and no guarantees of post-issue performance.

Research by Raut et al. (2019) on the IPO investment behavior among Indian investors concluded that although 70% of the sample group felt that IPOs provided high returns, only 35% of them knew about the majority of new issues persisting to underperform in the long run. The evidence supports the hypothesis that advantages are exaggerated, and there is disregard of or inappropriate understanding of drawbacks.

Further, Sharma and Sinha (2021) investigated IPO investment behavioral biases and discovered that overconfidence and herd behavior dominate an enormous chunk of retail investor behavior. The findings indicated that most investor's view oversubscription or media hype as a sure sign of future profitability even when fundamental valuation is not in the favor of optimism.

2.3. MYTHS AND MISCONCEPTION

Myths and misconceptions are at the center of influencing investor expectations and choices. Verma and Kapoor (2022) scrutinized the use of online media like YouTube and Telegram as sources of myths related to IPOs. Based on their research, they established that influencers make optimistic comments, most often skipping regulatory warning and risk signals, hence creating unrealistic expectations for viewers.

Sharma and Sinha (2021) also added prevalent myths like "government IPOs are always safe," "oversubscription ensures high returns," and "listing gains are certain," which are still misguiding individual investors. Such myths even prevail in the face of institutional sources of information, thereby establishing the presence of a much deeper understanding gap than there is an issue of information availability.

Similarly, Joshi and Patel (2021) studied Gujarat and Maharashtra retail investors and concluded that although 78% of the investors agreed that they had heard of IPO processes, fewer than 30% could correctly infer the definition of issue price, anchor investor behavior, or lock-in periods.

2.4. ROLE OF SEBI

The Securities and Exchange Board of India (SEBI) has a significant role to play in enforcing transparency and investor protection within the NIM. SEBI has released detailed guidelines for IPO disclosures, enforced Red Herring Prospectus, and launched numerous investor education initiatives (SEBI, 2023). The impact of these actions on transforming the actual understanding of investors is debatable.

Chaudhary and Mehta (2021) contended that while SEBI has made remarkable progress in simplifying IPO disclosure and ensuring fairness in pricing mechanisms, outreach and access to its investor education programs are still limited. Their research suggests increased collaboration between SEBI and financial institutions to facilitate region-specific and language-friendly investor education programs.

Moreover, Banerjee and Iyer (2022) focused on incorporating financial literacy modules within school and college curricula to build a long-term well-informed retail investing population. They also propose that SEBI efforts should be complemented by enhancing accountability for direct-role-playing intermediaries like brokers and advisors.

The research suggests that while retail involvement in the NIM is increasing, investor knowledge and awareness remain narrow and skewed. Financial knowledge remains superficial, myths surround decision-making, and regulatory initiatives, even though well-intentioned, are confronted with challenges in outreach as well as behavioral change. This suggests a need for improved targeted, systematic, and behaviorally designed financial education, particularly in high-risk investment instrument such as IPOs.

3. METHODS

3.1. DATA COLLECTION METHODS

This research uses a qualitative secondary data collection method by carrying out a systematic peer-reviewed academic journal literature review, regulatory and government reports, and robust financial studies. No primary data, such as surveys or interviews, were gathered. The data were gathered from journal articles, SEBI reports, and institutional studies related to retail investor attitudes in the New Issue Market (NIM).

3.2. SECONDARY RESEARCH

The study hinged on secondary analysis of data in which published scholarly articles, research reports from financial markets, and regulation rules were subjected to critical analysis. There was a concentration on the papers that explained investor consciousness, understanding of how IPOs work, disclosure regulation, financial knowledge, and perceived risk explicitly. Such a type of desk research would enable the examination of masses of literature within a given range and time horizon defined for the timeframe of 2015–2024.

3.3. DATA ANALYSIS TOOLS

Data collected from selected literature were coded in the context of a qualitative thematic analysis strategy that served as the central data analysis method. This was facilitated through the use of the six-phase model by Braun and Clarke (2006), which facilitated systematic observation, structuring, and interpretation of most significant patterns within studies. It enabled organized coding and classification of information into broad themes such as financial literacy, IPO myths, risk perception, and the role of SEBI as a regulator in the New Issue Market.

3.4. THEMATIC ANALYSIS

Thematic analysis was the primary qualitative method applied to examine and interpret the data taken from the selected literature systematically. Consistent with the highly referenced six-stage procedure developed by Braun and Clarke (2006), the process involved:

Familiarization with Data:

Careful reading and re-reading of the selected literature with a view to familiarizing with the content and identifying first-time patterns in terms of investor consciousness, risk, myths, and the role of SEBI.

1) Coding

Hand-coding and tagging significant parts of text (codes) that signify concepts like financial literacy deficits, regulation impact, or disinformation within the IPO market.

2) Searching for Themes

Collapsing related codes into higher-order themes, e.g., "Believed IPO Benefits," "Regulatory Consciousness," or "Risk Misconception."

3) Reviewing Themes

Revising and cross-checking on themes to ensure consistency, distinctness, and fidelity to underlying data across literature.

4) Defining and Naming Themes

Clearly define what each theme represents and give short, descriptive names that reflect the patterns found in investor behavior and understanding.

5) Final Analysis and Report

Synthesizing the themes into a coherent narrative, aligning them with the study objectives and providing structured insights for analysis and discussion.

3.5. INCLUSION AND EXCLUSION CRITERIA

1) **Inclusion Criteria:**

- Including the Studies which are published between 2015–2024 for relevance.
- Empirical research on retail investors in the Indian IPO/NIM setting.
- Literature on awareness, understanding, financial literacy, risk perception, or SEBI guideline.
- Peer-reviewed literature, SEBI/RBI reports, working papers.

2) **Exclusion Criteria:**

- Studies of institutional investor or non-Indian market (with exception to comparative).
- Unrelated articles to the New Issue Market.
- Non-academic sources like blog sites, opinions, or unverified websites.
- Papers published in non-English languages or without full-text provision.

3.6. SEARCH STRATEGY

A systematic research approach was adopted to select appropriate scholarly and regulatory research articles on the awareness and knowledge of retail investors regarding the New Issue Market (NIM). The search was made across various good quality databases, i.e., Scopus, Web of Science, JSTOR, Google Scholar, and SSRN. Boolean terms and keywords were employed strategically in order to limit results, for example, "retail investors" AND "new issue market" OR "IPO awareness" OR "financial literacy" AND "SEBI" OR "primary market risks." Limits were employed to limit the articles to English-language articles between 2015-2024. Truncation and wild cards (e.g., investor, IPO*, aware*) were employed to widen the body of literature. Titles, abstracts, and full texts were stepwise systematically screened to be thematic congruent to the aims of the study. The open and targeted search strategy enhanced the credibility of included sources and provided an articulated literature base for thematic analysis.

3.7. DATABASES

The following databases and websites were used to carry out the literature search:

- Google Scholar
- Scopus
- JSTOR
- EBSCOhost
- SSRN
- SEBI, RBI, NSE websites for regulatory and official publications

These sources gave access to a broad variety of empirical studies, policy reports, and financial research on Indian capital markets.

3.8. KEYWORDS AND SEARCH STRINGS

1) **Term Definition:**

- The most important concepts for the study were defined to identify the essential areas of research:
- **Retail Investors:** Individual, non-institutional market participants.
- **New Issue Market (NIM):** The major primary market in which issuers raise themselves funds by issuing new securities, primarily IPOs.

- **Awareness and Understanding:** Retail investors' awareness and understanding regarding NIM procedures, risks, and regulations.
- **SEBI:** India's capital market regulator in charge of protection of the investor as well as regulation of the market.

2) Synonyms and Related Terms:

Synonyms and related terms were added in order to finalize the topic:

- **Retail Investors:** individual investor, small investor, personal investor
- **NIM:** primary market, initial public offering, IPO
- **Awareness:** knowledge, perception, familiarity
- **SEBI:** Securities and Exchange Board of India, regulator, capital market authority

3) Boolean Operations:

Boolean operators like AND, OR, and NOT were utilized to restrict and enlarge search outcomes in a methodical manner.

- The AND operator was used to make certain that the search outcomes contained all major words, like "retail investors" AND "new issue market" in an effort to obtain literature focusing on retail participants in the primary market.
- The OR operator assisted in trapping synonymous words and associated terms, widening the foundation of search. For instance, "financial literacy" OR "investor awareness" produced articles on general and specialized types of investor education.
- The NOT operator was used to eliminate unsuitable contexts at times, e.g., "IPO" NOT "real estate" to omit spaces which were not of relevance.
- Parentheses were utilized to surround operators in cases of clarity and precision in intricate queries, e.g.: ("retail investors" OR "individual investors") AND ("IPO" OR "primary market") AND ("SEBI" OR "regulation" OR "disclosure").

This Boolean strategy ensured relevance without omitting significant literature, with high retrieval of relevant literature aligning with the study focus.

4) Truncation and Wildcards

To catch differences in words, truncation (*) and wildcard symbols were employed:

- investor → to catch investor, investors
- IPO* → to catch IPO, IPOs
- aware* → to catch aware, awareness
- regulat* → to catch regulate, regulation, regulatory

3.9. STUDY SELECTION

Process of study selection was methodical and based on a multi-step process to incorporate good-quality, relevant literature according to the research aims:

1) Screening:

Primary screening of title and abstract was done to eliminate duplicates and evidently irrelevant studies. Non-relevant studies regarding retail investors, the New Issue Market (NIM), or financial literacy were eliminated in this step. Screening helped maintain focus on literature exploring investor awareness, IPO comprehension, regulatory knowledge, and primary market dangers.

2) Eligibility Assessment:

Full-text articles that survived screening were read through to the conclusion for their appropriateness to research questions. Research articles from 2015-2024 only, written in English, with empirical or theoretical contributions to NIM, SEBI's role, or retail investor behavior were deemed qualified.

3) Quality Assessment

All potentially eligible studies were ranked by methodological quality, source reliability (government documents, peer-reviewed literature), and relevance. Those with poor data or unclear findings were excluded.

4) Final Selection:

Once quality assessment was completed, the most concentrated, methodologically rigorous studies most closely related to the problem were included for thematic analysis. This provided a credible, coherent, and concentrated literature base for the study.

3.10. DATA SYNTHESIS

To assure that meaningful results were obtained from the chosen literature, an analytic data synthesis process was followed through five broad steps: data extraction, thematic coding, theme development, theme analysis, and reporting.

1) Data Extraction:

Relevant information was systematically extracted from each selected study using a structured format. Key data points included the study's objective, methodology, findings, sample characteristics, and relevance to themes such as financial literacy, risk perception, myths about IPOs, and SEBI's regulatory role. This step ensured uniformity and facilitated a comprehensive view across diverse sources.

2) Thematic Coding:

Each of the data points identified was coded by hand using repeated statements, themes, or ideas which were in line with the research goals. Through the open coding process, rich text data were decomposed into workable and interpretable units to provide a basis for subsequent substantive thematic analysis.

Correspondingly, conceptual codes were organized into first-level themes. These were categories such as "Retail Investor Awareness," "Misconceptions regarding IPOs," "Perceived Risks in NIM," and "Regulatory Impact of SEBI." Themes were continuously reviewed and reorganized to enhance coherence, salience, and distinctiveness.

3) Theme Analysis

All the themes were thoroughly discussed to ascertain its significance, frequency in the studies, and whether it was consistent with the research goals. Contrasts, trends, and latent meanings were cross-compared in order to connect the themes to each other and form a balanced picture of investor behavior and awareness in the NIM.

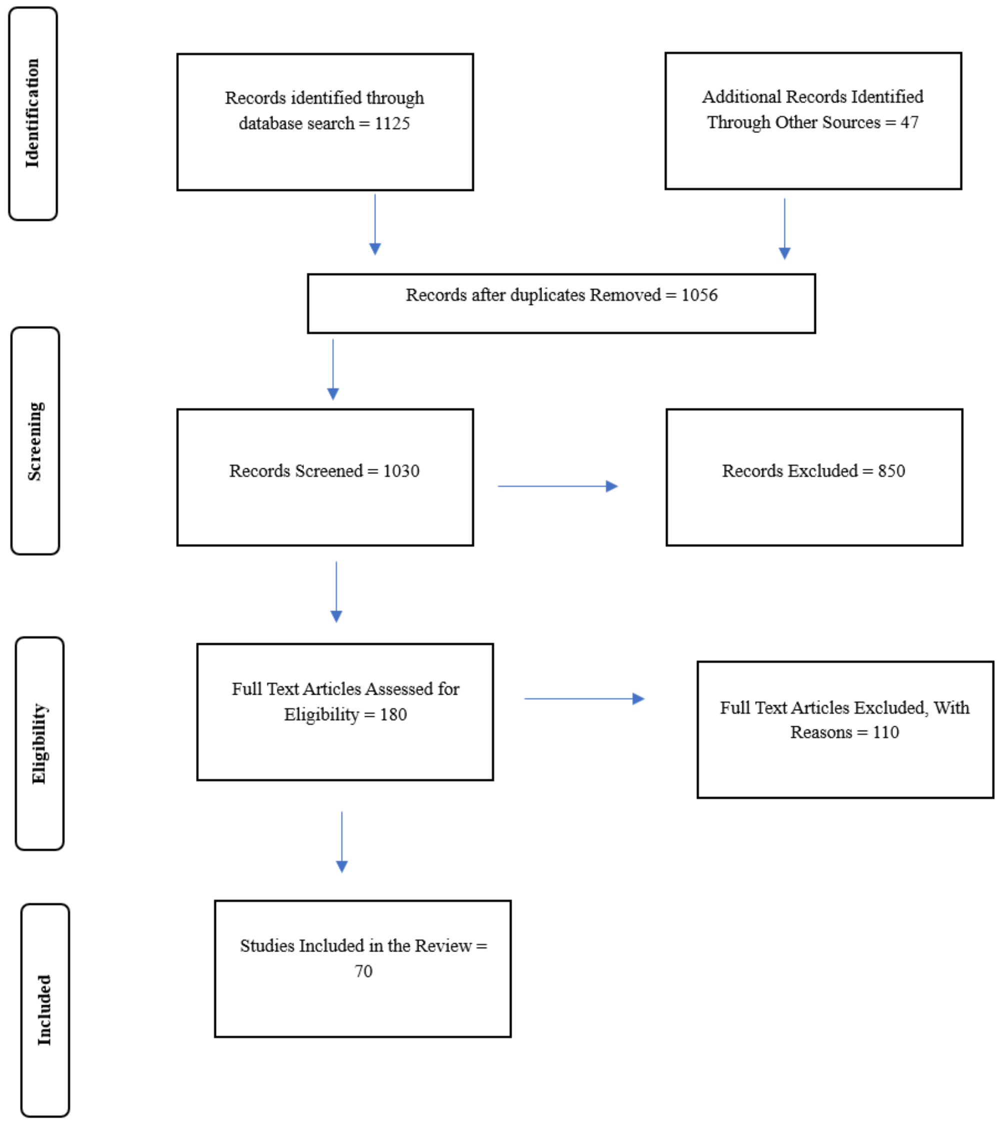
4) Reporting:

The final process was the integration of the themes from analysis into a comprehensive story. All the themes were elaborated with supporting literary evidence and incorporated into the discussion and conclusion parts of the study. This helped that the synthesis was logical, comprehensible, and solidly anchored on the objective of the study to grasp retail investors' familiarity with the New Issue Market.

4. RESULTS

4.1. PRISMA FLOW DIAGRAM

Figure 1



4.2. SELECTED PAPERS AND THEMES

Table 1

Theme	Related Papers and Authors
Financial Literacy and Awareness of the NIM	Sehgal & Vijayakumar (2015), Jain & Dashora (2017), Kumar & Yadav (2020), Chatterjee & Nair (2024), Agarwal & Das (2023), Bhalla & Aggarwal (2019), Sharma & Tiwari (2020), Roy & Banerjee (2021), Mehta & Shah (2022)
Myths, Misconceptions, and Risk Perception	Sinha & Singh (2016), Mehta & Singh (2021), Reddy et al. (2021), Bhalla & Aggarwal (2019), Joshi & Thakur (2018), Shah & Desai (2019), Rao & Sreenivas (2022), Kapoor & Bansal (2020), Sen & Dutta (2023)
Regulatory Role of SEBI in Shaping Investor Behavior	Gupta & Sharma (2018), Taneja & Gupta (2022), Rajan & Kulkarni (2024), Mehta & Singh (2021), Iyer & Ramaswamy (2017), Patel & Roy (2019), Batra & Ghosh (2020), Saxena & Pillai (2021), Deshmukh & Rao (2023)

4.3. THEMATIC ANALYSIS

1) Theme 1: Financial Literacy and Awareness of the NIM

This theme is dealing with the financial literacy level of retail investors and their comprehension of the New Issue Market (NIM), specifically in the context of Initial Public Offerings (IPOs). Most studies (e.g., Sehgal & Vijayakumar, 2015; Kumar & Yadav, 2020; Agarwal & Das, 2023) show that though retail investor interest in IPOs has grown, most of this group lacks a fundamental concept of how the NIM functions. Most of these investors use non-official sources like word-of-mouth advice, informal recommendations, or broker tips without cross-checking facts from official reports like the Red Herring Prospectus (Jain & Dashora, 2017). This indicates weak financial literacy as well as a poor understanding of regulatory disclosure, IPO pricing, and allotment of applications. Mehta & Shah (2022) observe that retail investors are more likely to map the investment quality to brand recognition and therefore make more familiarity-based than fundamentals-based investment decisions.

Also, Sharma & Tiwari (2020) observe that retail investors are unable to understand terms related to IPO and also unaware of the SEBI-suggested disclosure processes. Such weaknesses can lead to not being able to seize opportunities or over/underestimate risk and thus impact prospective for wealth creation in the primary market.

Roy & Banerjee (2021) point out that specially designed financial education interventions greatly enhance knowledge and self-efficacy in investing in IPO. This highlights the importance of investor education campaigns, easy-to-understand financial information, and inclusion of capital market principles in financial literacy programs as a whole.

Lastly, this theme mandates that the development in financial literacy is not only welcome but actually required for effective engagement in the NIM, and policymakers and regulators need to give great weightage to education-based interventions to address this information gap.

2) Theme 2: Myths, Misconceptions, and Risk Perception

The theme investigates the prevalence of misconceptions, behavioral biases, and risk perception that influence retail investors' choices in the New Issue Market (NIM). Despite improvements in access to IPOs with the growth of online platforms, research has shown that retail investors are making decisions under misconceptions that are distorting their perception and causing inefficient investment behavior.

Sinha & Singh (2016) and Mehta & Singh (2021) quote that retail investors, overwhelming in numbers, believe that IPOs provide short-term gains via oversubscription and listing gains. The so-called "quick profit" myth goes on to promote herd mentality, whereby one invests out of fear of missing out (FOMO) and not by a rational evaluation of a firm's fundamentals. Bhalla & Aggarwal (2019) also recognize that investors ignore important parameters like the background of the promoter, financials, and industry risk.

Reddy et al. (2021) and Kapoor & Bansal (2020) point out that risk is also amplified due to low-experience or inexperienced investors who believe that IPOs are safer than secondary market investments. The reason for such irrational thinking lies in their non-exposure to the history of earlier IPO failures or post-listing price erosion. Moreover, Joshi & Thakur (2018) identified that retail investors hardly differentiate between marketing noise and firm fundamentals while relying more on word-of-mouth or media noise.

Sen & Dutta (2023) note that the inability to critically evaluate leads to irrational optimism or fear, which skews the risk-reward tradeoff. Investors predominantly do not diversify or examine lock-in periods and sector volatility because of these illusions.

In general, this theme demonstrates that investment fallacies and miscalculated risk appraisals are a fundamental source of irrational investment behavior within the NIM. The treatment of such behavioral inclinations via targeted investor education and regulatory caution is important to mitigate misinformation and improve choice quality.

3) Theme 3: Regulatory Role of SEBI in Shaping Investor Behavior

This theme analyzes the pivotal role of the Securities and Exchange Board of India (SEBI) in steering, ruling, and educating retail investors within the New Issue Market (NIM). SEBI, as the overseer of the primary capital market, has directives that have concrete consequences on investor confidence, transparency, and well-informed participation.

A study by Gupta & Sharma (2018) and Taneja & Gupta (2022) indicates that SEBI has strengthened IPO disclosure norms to a great extent, making issuer details more available and uniform. Nevertheless, the study by Rajan & Kulkarni

(2024) and Mehta & Singh (2021) indicates that even post-regulation, retail investors are largely unaware of such guidelines or ineffective in making use of official documents such as the Red Herring Prospectus.

SEBI’s Investor Education and Protection Fund (IEPF) has launched numerous campaigns to improve awareness, but their reach and impact remain uneven. Iyer & Ramaswamy (2017) point out that although SEBI’s digital initiatives (like the SCORES platform for complaints and the MyIPO app) are well-intentioned, user engagement is still low among semi-urban and new retail investors.

Patel & Roy (2019) and Batra & Ghosh (2020) emphasize that SEBI’s surveillance of IPO pricing, allotment fairness, and underwriting obligations instills a degree of trust among participants. However, Saxena & Pillai (2021) argue that without proactive simplification of financial jargon and user-friendly investor guides, SEBI’s regulatory presence may feel distant to first-time investors.

Deshmukh & Rao (2023) recommend a hybrid model—regulation by strengthening in addition to investing in investor-oriented financial literacy, particularly in IPO risk disclosure and rights.

In fact, this theme reveals that SEBI has the important role of not only regulating the IPO machinery but also shaping investor sentiment and trust. Increased synergy between regulators, market intermediaries, and educational institutions is necessary to enhance the efficacy of SEBI's investor-oriented initiatives.

5. DISCUSSION

The findings of this study outline dominant themes regarding how retail investors engage with and are active in the New Issue Market (NIM), anchored on three dominant thematic clusters: financial literacy, myths and risk beliefs, and the role of SEBI in shaping investor behavior.

The findings clearly demonstrate first that there is still a challenge of inclusive financial literacy. In spite of improved availability of IPOs via mobile apps and web-enabled sites, retail investors are not well aware of essential details like mechanisms of IPO pricing, offer documents, and fundamental financial analysis. It is also supported by existing research (e.g., Sehgal & Vijayakumar, 2015; Sharma & Tiwari, 2020), which highlights the importance of focused financial education in addressing this gap. Without the ability to interpret IPO-related news, investment choices are largely made upon incomplete or surface knowledge.

Second, prevalence of investment myths and prejudice-based risk perception heavily burdens investor actions. Retail investors will correlate IPOs with assured short-term profits or equate brand prominence with profitability. This results in herd behavior, overconfidence, or downplaying the risk—elements that have been shown in behavioral finance literature (Mehta & Singh, 2021; Bhalla & Aggarwal, 2019). The heuristic shortcuts and emotional biases employed by investors suggest that a mere awareness will not be sufficient unless accompanied by risk assessment skills and critical thinking.

Finally, the role of SEBI is that of a twofold one: regulatory and educative. Although SEBI has instituted various reforms to increase transparency and equity in the IPO market, there are still many retail investors who are unaware of or have no ability to employ these tools and resources. It is of interest to the availability and efficacy of SEBI's investor education efforts, especially among rural and lower-order groups of investors. Research (e.g., Patel & Roy, 2019; Taneja & Gupta, 2022) has indicated that regulation will only be effective if it is complemented by straightforward, forward-looking styles of communication.

These together evoke a call for multi-level intervention. All concerned like regulators, financial intermediaries, education regulators, and the media need to collaborate to improve investor sophistication, prevent disinformation, and facilitate retail participants in the NIM with the toolkit and expertise to make smart decisions.

6. IMPLICATIONS

The results of this study present a number of important implications for policy makers, regulators, financial service providers, and academic researchers in relation to enhancing retail investor participation, and to furthering protection for retail investors in the New Issue Market (NIM):

1) Policy and regulatory intervention: This study indicates significant deficiencies in financial literacy and comprehension by retail investors, and therefore necessary for SEBI, and other financial regulators, to rebuild,

enhance, or strengthen their investor education strategies. Education guidelines must have specificity, not simply slope generalized awareness campaigns. Ideally education markets must be developed for regional, demographic and language considerations to facilitate engagement and inclusion.

2) Structural event design of educational programs: Financial literacy campaigns must incorporate meaningful simplicity in IPO procedural steps, pricing, allotment structure or process and risk disclosure. The addition of interactive tools for stance and/or simulated, or role-played, learning experiences, in local vernacular would further enhance student engagement and make the "real life" scenarios more applicable to first time or inexperienced retail investors.
3) Brokerages, mutual funds, and fintech platforms: While it is important to build awareness of investment opportunities, the responsibility of brokerages and other financial intermediaries includes the obligation to engage investor behavior that is intentional and informed. The sensationalized marketing of an IPO serves to generate interest; educational messaging provides balance with the additions of regulatory compliance content.
4) Myths and misunderstandings: First, the boomeranging effects of behavioral biases must be addressed in fabricated myths of investing in IPOs with little risk, and guaranteed returns. These assertions implicate a multi-pronged awareness campaign with SEBI, media organizations, and educational establishments to reject spells and illusions of misguided thinking, while endorsing evidence and rigorous decision-based investment paradigm.

In summary, the study illustrates a path towards awareness and comprehension, and is therefore more than a financial literacy issue, rather a necessitating process of systemic regional existence to address retail investor protection and empowerment in the ongoing NIM.

7. LIMITATIONS

Although this research contributes to the understanding and awareness of the New Issue Market (NIM) among retail investors, there are many limitations to acknowledge:

1) Limitations on Literature Review Scope - The literature has been based on secondary sources and published studies dating from 2015-2024. The While more current papers, unpublished work, or grey literature, could be relevant, they may have been excluded for relevance or authenticity.
2) Geographic Limitations - Most of the studies chosen in this research focused on only Indian retail investors, which could limit the applicability of findings to other markets with different legislative or cultural environments, including developed economies.
3) Thematic Approach Limits Findings - Thematic analysis provided more depth of analysis; however, qualitative methodologies do not statistically validate nor quantify levels of awareness or misunderstandings, thereby limiting data reliability and conclusively.
4) Thematic Coding Researcher Bias - The manual thematic coding approach is systematic; however, it is still subject to researcher interpretation and bias. By being systematic, we attempted to limit subjectivity but do not fully eliminate it.
5) Thematic Literature in English Only - The research was confined to English language studies, thus are unable to be enriched by region specific or vernacular research. This level of depth might include additional insights into proximal or local investor Behaviour.
6) Prior Retail Investor Work - We did not include any surveys, interviews or focus group work with retail investors themselves, adding real time or richer perspectives to the analytical perspective.
7) Limited Behavioral Scope - While some aspects of behaviors such as risk perceptions or mythologies were provided, the analysis was not inherently framed through a broader psychological lens (example, prospect theory, regret aversion, etc.).

There are some restrictions here that enable further research, especially with mixed methodology and primary data to confirm and build upon the topics found in this review.

8. FUTURE RESEARCH

This research offers some possible directions for future scholarly research. With increasingly faster development of the New Issue Market (NIM) and growing volume of retail investors, there is particularly a requirement for longitudinal studies to evaluate how understanding and knowledge develop over time, especially after-educational or regulatory initiatives. Subsequent studies can include mixed-method designs, integrating qualitative findings with quantitative data in a way of further quantifying investor awareness depth and breadth.

Follow-up studies should also examine investor behavior by age, income, and geographical segments, particularly in Tier II and Tier III cities where digital penetration is high but financial literacy is uneven. Social media, investment influencers, and app-based tips from brokerages' impacts on engaging in IPOs are areas that also have huge room for research, as non-traditional channels are more influential in investment decisions.

Additionally, incorporating behavioral finance models such as prospect theory, overconfidence bias, or regret aversion can deepen our understanding of why investors continue to rely on myths or ignore available regulatory information. Another important area for future work is evaluating the effectiveness of SEBI's investor protection initiatives, not only in terms of awareness but also in behavior change and confidence in market mechanisms.

Finally, comparative or cross-country studies of regulatory frameworks can provide a summary of best practice and note innovative approaches that can enhance retail investor results around the world.

9. CONCLUSION

This study explored the awareness and understanding of the New Issue Market (NIM) among retail investors, focusing on three core themes: financial literacy, investment myths and risk perceptions, and the role of SEBI. Thematic analysis of recent literature (2015–2024) revealed that while access to IPOs has improved, informed decision-making among retail participants remains limited. Most investors continue to invest with incomplete information, arrive at conclusions from unofficial sources, and perpetuate fallacies that cause negative investment outcomes.

In spite of regulatory action and sensitization by SEBI, there continue to be large knowledge gaps among retail investors regarding IPO risks, their understanding of disclosures, and utilization of available tools. The study emphasizes the necessity of multi-stakeholder intervention towards developing investor literacy, disinformation combat, and universal access to high-quality information. Enhanced financial education and communication by regulators, particularly among underrepresented groups, will be essential in establishing trust, participation, and long-term prosperity for the NIM.

In all, fulfilling the information and knowledge gaps of retail investors is as vital for them as for the integrity and health of the capital markets in aggregate. This study forms the foundation for subsequent empirical research and policy intervention to educate retail investors with the competence for shrewd participation in IPOs.

CONFLICT OF INTERESTS

None.

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