

Project Dissertation Report on

**“ANALYSIS ON INVESTMENT AVENUES &
INVESTORS PERCEPTION TOWARDS
INVESTMENT”**

Submitted By

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2K20/DMBA/15

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CERTIFICATE

This is to certify that the dissertation report titled “**ANALYSIS ON INVESTMENT AVENUES & INVESTORS PERCEPTION TOWARDS INVESTMENT**” is a bonafide work carried out by **Ms. Alka** of MBA 2020-22 and submitted to Delhi School of Management, Delhi Technological University, and Bawana Road, Delhi-42 in partial fulfilment of the requirement for the award of the degree of Master of Business Administration.

Signature of Faculty Guide

Signature of HOD (DSM)

Place:

Seal of HOD

Date:

DECLARATION

I, Alka, student of MBA 2020-22 of Delhi School of Management, Delhi Technological University, Bawana Road, Delhi – 42, hereby declare that the dissertation report **“ANALYSIS ON INVESTMENT AVENUES & INVESTORS PERCEPTION TOWARDS INVESTMENT”** submitted in partial fulfilment of Degree of **Master of Business Administration** is the original work conducted by me. The information and data given in the report is authentic to the best of my knowledge. This report is not being submitted to any other University, for award of any other Degree, Diploma or Fellowship.

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ALKA

DATE:

ACKNOWLEDGEMENT

It is my pleasure to acknowledge many people who knowingly and unwittingly helped me, to complete my project. First of all, let me praise God for all the blessings, which carried me through all those years. First & foremost, I would like to express my regards to Mrs. Deepali Malhotra for constant encouragement and support. I would also like to express my immense gratitude towards all the lecturers at our college for providing the invaluable knowledge, guidance, encouragement extended during the completion of this project. I extend my sincere gratitude to all my teachers and guide who made unforgettable Contribution. Due to their sincere efforts, I was able to excel in the work entrusted upon me.

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EXECUTIVE SUMMARY

Holistically, this project is concerned about the major factors that are there in the mind of the customer while they go for investing in any kind of Mutual Funds (MF) or insurances or other kind of investment products. The major investment products that I have worked with for the purpose of the research work are MF, Insurance & Gold. As the project work consists of more of a practical work rather than the theoretical study flexibility is maintained throughout the proceeding. The project consists of few stages like gaining the product knowledge, market research in the form of sample survey, analysis of the collected data by way of descriptive study. The project was a 3 phased work with a multi-dimensional approach. 1st phase was to gain knowledge about the products in this Investments & Services (I&S) sector, followed by the market research by way of sample survey in the respective branches. Prior to this sample survey one very important stage was questionnaire designing. After that the last stage was the descriptive study of the sample. This was necessary for the purpose of decision making & recommendation purpose. Project has also offered the experience of lead generation, customer handling, selling & formulating marketing strategies, corporate tie-ups in its various phases.

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CHAPTER 1

1.1 INTRODUCTION

Mutual Fund Overview

Where risk is a part of life we must diversify it if we can't avoid it. Mutual funds have proven their bit in this aspect we can substantiate this point by looking at the fact that when markets have gone up and down randomly giving 15% to 16% returns mutual funds have given returns to the tune of 52% to 53%. But let us understand as to what is a mutual fund?

A mutual fund is a company that collects the money of several people who have similar financial goals. The money generated is subsequently invested in various types of assets by the fund management, according to the scheme's purpose. These include things like stocks, bonds, and money market products. The income from these investments, as well as the plan's capital gains, are distributed to the scheme's unit holders in proportion to the number of units they possess (pro rata). As a result, for the typical individual, a mutual fund is the greatest investment since it allows them to invest in a diversified, professionally managed portfolio at a low cost. Everyone with a tiny amount of money to invest, as little as a few thousand rupees, can invest in mutual funds. Each Mutual Fund plan has a distinct investing objective and strategy.

A mutual fund is the greatest investment vehicle in today's complicated and current financial climate. Real estate, derivatives, and other assets, as well as equities, bonds, and other fixed-income instruments, have matured and become more information-driven. Global events in far-flung areas generate price changes in these assets. The typical individual is unlikely to have the knowledge, skills, interest, or time to keep track of events, understand their implications, and respond swiftly. Individuals find it difficult to keep track of their assets, investments, brokerage fees, and bank transactions, among other things.

A mutual fund is the greatest solution in all of these situations. Each of these responsibilities is overseen by full-time professionals that are properly qualified and experienced. Because the fund has such a large pool of money, it can hire such personnel at a low cost to each investment. In reality, in all three areas of research,

Investments, and transaction processing, the mutual fund vehicle takes advantage of economies of scale. While the concept of individuals teaming together to invest money collectively is not new, the mutual fund as we know it today is. Mutual funds did not become popular until after WWII. Thousands of businesses throughout the world provide tens of thousands of mutual funds with a variety of investment goals.

CONSTITUTION OF THE MUTUAL FUND

Sponsor: The sponsor is the person who comes up with the mutual fund concept. A legal corporation, a regulated bank, or a financial institution might be involved.

A sponsor must meet a number of requirements, including money, track record (at least five years in financial services), default-free deals, and a general reputation for fairness. The sponsor appoints the trustees, the AMC, and the custodian. The sponsor becomes a shareholder after the AMC is constituted.

Trust/Board of Trustees: Trustees have a fiduciary obligation to safeguard unit holders' interests. The trustee and the sponsor are sometimes the same person, like in the case of Canara Bank. State Bank of India is the sponsor and SBI Capital Markets is the trustee for others, such as SBI Funds Management.

Trustees are in charge of floating and marketing plans as well as obtaining relevant permissions. They examine if the AMC's investments are within stated parameters, whether the fund's assets are protected, and whether unit holders receive their promised returns.

Fund Managers/AMC: They are the ones in charge of the investment funds. An AMC makes investment choices, distributes dividends to investors, maintains accurate records and information for unit pricing, calculates the NAV, and monitors listed schemes and secondary market unit transactions. It also undertakes due diligence on investments and submits quarterly reports to the trustees.

Custodian: It is frequently an independent entity that takes custody of a mutual fund's securities and other assets. The sponsor or trustee of a public sector mutual fund is usually also the custodian.

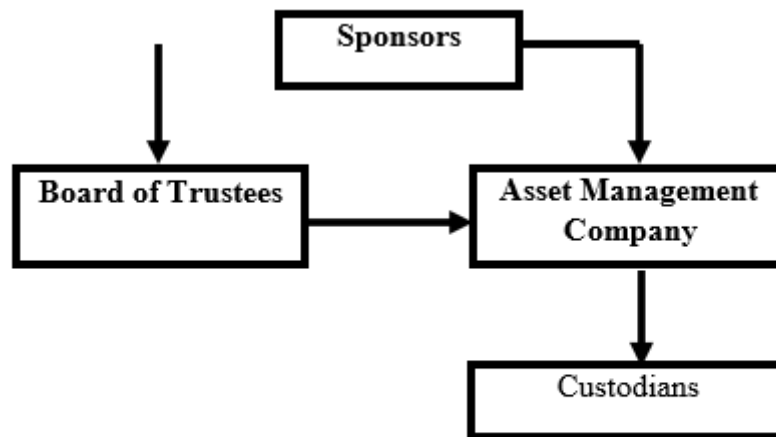


Figure 1 – position of custodians

BENEFITS OF MUTUAL FUNDS

- **Portfolio Diversification-** Amount invested by a client of the fund is distributed in the proportion of all the companies and asset classes in which the fund is invested. In this method, an investor might receive a diversified portfolio of small units from multiple companies and sectors simply by investing in a single fund.
- **Professional Management-** The funds are managed by professionally qualified fund managers who are loaded with tons and tons of experience in the field. Irrespective of the amount one invested, the investor gains access to a professional fund manager's expertise and assistance.
- **Diversification of Risk- -** When an investor invests in mutual funds, he or she receives the immediate benefit of diversity and asset allocation even with some small amounts of investments.
- **Convenience-** the Mutual Funds let the investor to arrange the things at the ease which might not be available with the direct market transactions like easy transfers from one scheme to another.

DRAWBACKS OF MUTUAL FUNDS

- **No Cost Control-** The cost of investing in Mutual Funds is completely out of the investor's control. Although, the cost involved in very minimal, still the investor has to bear the cost from the day he started investing into the fund irrespective of the fact that the fund is performing well or not.

- **No Option for Self-Made Portfolio-** If you are invested in shares or bonds, you can use your expertise and decide which shares to be invested in. This is not the feature available with Mutual Funds. Once you are invested in a fund, you passed on this decision to the fund manager for which you could nothing in the future.
- **Impact of a Stock-** The Mutual Fund invest the majority chunks in a very few stocks and remaining amount is invested in very small proportions. If these small proportion stocks perform well, even after that there is no assurance that the fund will perform well.

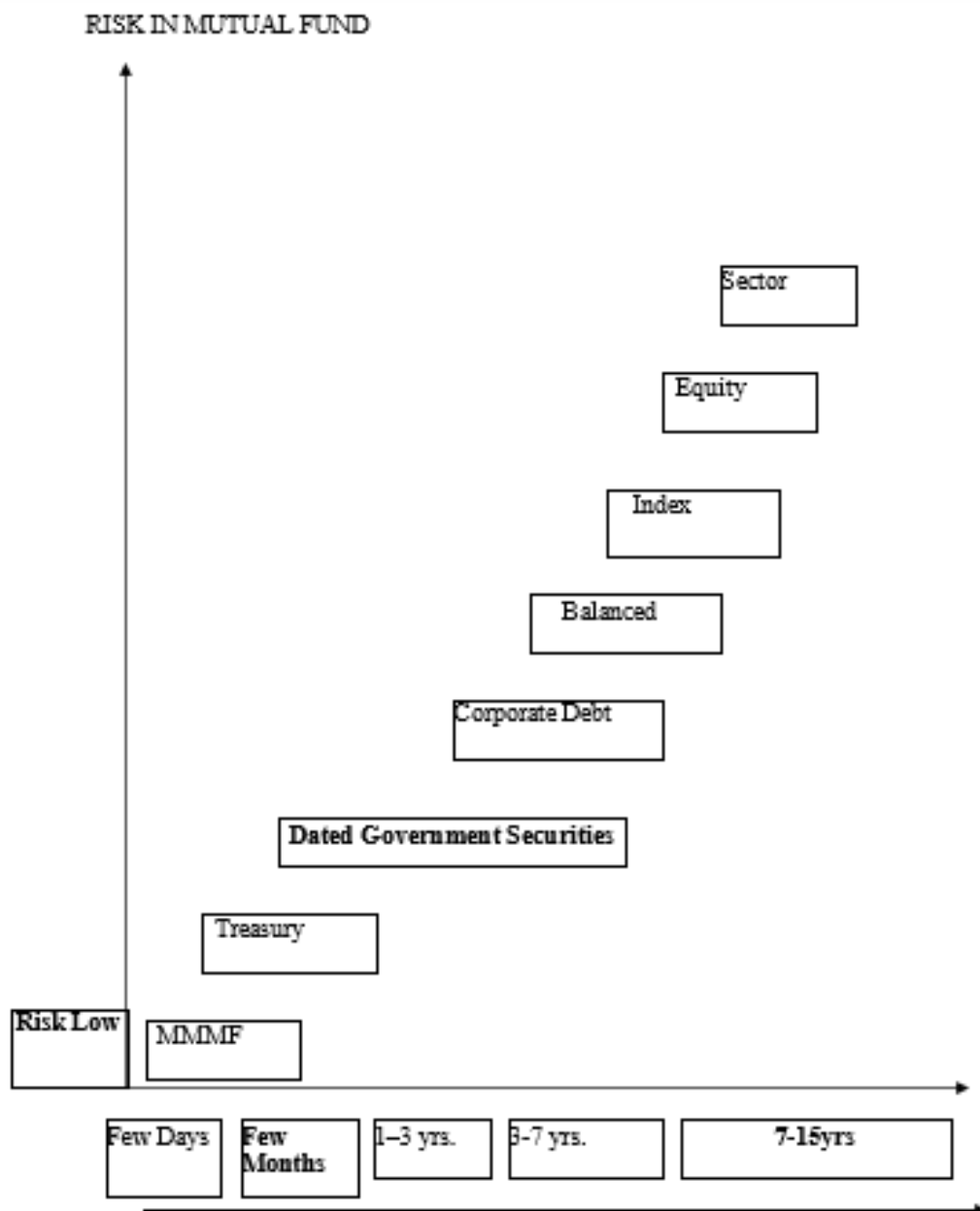


Figure 2: Risks in Mutual Fund

PRESENT CHALLENGES

- **PERFORMANCE INITIATIVES:** Performance and return delivery; the exceptional returns achieved to far have elevated investor expectations, and maintaining these levels of performance will be a challenge.
- **NETWORKING:** Service providers such as custodians, registrars, and others have a poor network, resulting in decreased client satisfaction. The goal should be to have no complaints at all. Currently, these service providers' commitment levels are poor, and these professions do not appear to be recruiting the proper people.
- **IMPORTANCE OF INFORMATION:** Market intermediaries are unfamiliar with the complexities of mutual fund products. The minimum qualification and regulation of these intermediaries are factors to consider in order for them to assimilate the subject matter.
- **INVESTOR KNOWLEDGE:** Another factor that is often forgotten is investor education. Mutual funds appear to be reliant on inflows from a small number of corporations and high-net-worth individuals, with the bulk of regular investors being unaware of the products' benefits and features. The kind of measures launched by mutual funds and the SEC in the field of investor education in the United States are the kinds of practices that need to be followed.

MARKETING OF MUTUAL FUNDS

If one had to choose one industry that has suffered the most extreme change in the post-liberalization era of the 1990s, the financial services sector, notably the mutual fund market, would be a strong contender. The amount and quality of product and service options have drastically altered. The Indian consumer is now being courted by essentially the Who's Who of global and Indian enterprises, with a breadth of possibilities that was unthinkable a decade ago. What strategic marketing choices do mutual fund firms have in the face of such severe competition to survive and grow in this potentially promising industry?

The changing marketing practices in India's mutual fund industry are closely linked to the country's development history. Marketing tactics have developed in phases in parallel with the industry's growth and progress.

Today's marketing options are many, and it is evident that marketing plays an important part in the investment sector, as it begins with the identification of a potential consumer who will buy into the scheme and ends with the scheme being sold to him.

Product Focus

The marketing strategy's sole focus at first was on various product offers. Because the concept was new, the businesses simplified things for the investors by categorizing the schemes based on two factors: the method the schemes were traded and the differing composition of debt and equity securities in the scheme.

The goal of mutual fund firms during the Product Focus era was to develop a wide range of products, and the only way for a fund to outperform other funds was: a). The fund's success in providing returns to its investors.

b) The manner in which that specific fund was promoted.

Customer Ownership Focus

At this point, mutual fund companies began to focus equally on large and small investors. The target market was separated into two categories: institutional and individual investors. The institutional category included corporate and trust treasury departments, and appropriate products such as Institutional Income and Money Market schemes were aimed towards them.

Individual investors were further segmented into Young Families with little or no children, Middle-aged People saving for retirement, and Retired People searching for a consistent income. Products for young families, such as Growth and Balanced plans, and Income schemes for retirees, were promoted.

MARKETING OF MUTUAL FUNDS -- CHALLENGES AND OPPORTUNITIES:

When we talk about mutual fund marketing, we're talking about things like analyzing investor needs and performing market research, as well as responding to investor demands.

- ✓ Examining the microenvironment
- ✓ Choosing a distribution method;
- ✓ Putting the finishing touches on public relations and marketing strategies;
- ✓ Creating offer documentation and other marketing materials
- ✓ Getting customer input on sales;
- ✓ Examining performance indicators like net asset value (NAV);
- ✓ Delivering certificates on time and doing other post-sale tasks;
- ✓ Following through on redemption and repurchase pledges;
- ✓ Dividends and other perks are distributed;
- ✓ Developing a positive image for the fund.

Now consider an AMC's marketing strategies: The current marketing methods of may be broken down into two categories:

Selling without the use of intermediaries (direct marketing).

Direct Marketing:

This method accounts for around 10% of all mutual fund sales. Some of the most essential devices used in this type of selling are as follows:

Selling to Individuals: The Assistant Sales Manager takes a corporate assignment in this situation. She meets with the prospect once the appointment has been scheduled

And advises him of the many plans available. Advertisements in newspapers and magazines:

The fund frequently advertises in business magazines and periodicals, in addition to major national newspapers. The purpose is to keep investors up to date on the fund's numerous schemes and their current performance.

Hoardings and Banners: The fund's hoardings and banners are put in prominent locations across the city where people move often in this scenario. Typically, the hoarding and banner contain information about a single plan or an overview of all of the fund's programmes.

Intermediaries are responsible for a significant share of mutual fund sales and play an important role in consumer education. The importance of intermediaries may be gauged by the fact that an investor with insufficient knowledge would occasionally invest as the intermediary suggests.

✓ BANKS

✓ DISTRIBUTORS

ADVANTAGES OF TIE UP WITH BANKS

- **CUSTOMER TRUST:** Banks maintain a trust and appreciation relationship with their customers since they stay with them over a longer period of time. Customers are continuously looking for better investment opportunities, and they believe that banks can give them with the necessary guidance.
- **PERMANENT CONTACTS:** If a customer invests through a bank, it implies that the customer is already a kind of permanent customer of the bank. As a result, the customer has a kind of permanent contact with the bank and can be contacted easily through the bank at any time in the future.
- **WORKING ON TARGETS:** A tie-up can be done at the national or regional level. For example, if a bank tie-up is done at the regional level, a target is assigned to the officer in charge of all the branches, and he is responsible for

achieving that target. The key benefit is that these officers are always on their toes in order to meet their goals.

- **EASY TO MARKET:** When a product is marketed through a channel like this, it becomes easier to market since some high net worth individuals consider the advice of bank managers and assistant managers when making investment decisions.

Almost all AMCs nowadays have partnered with one or more banks, mostly to gain access to the banks' permanent HNI customers. ICICI has partnered with the following banks: HDFC BANK, SBI BANK, UTI BANK, and others.

INSURANCE INDUSTRY IN INDIA

Insurance is a way of risk-financing that pays for losses or unfavorable shocks in the form of property, business, life, health, or anything else. It may be utilized as an investment vehicle as well as for tax purposes. Customers pay a premium on a regular basis for a lengthy period of time and then get the money insured at maturity.

There are two types of regulated insurers: life and general insurance. Endowment plans and retirement annuities are examples of life insurance products. All other forms of insurance are covered by general insurance.

THE SPECIAL POSITION OF INSURANCE IN THE INDIAN INDUSTRY:

- In this business, consumer trust is critical since it requires a large number of customers to create resources. These funds are intended to improve infrastructure in order to help a country's economy grow.
- It necessitates a set of corporate governance ethics and principles.
- The insurance industry's enormous volumes help spread risks, allowing for lower premium rates and more profits.
- In a poor nation like India, where people's financial situation is precarious, insurance gives protection, savings, and tax advantages. As a result, the insurance business plays an essential role in the economy of the country.

- It plays a critical role in a country's commercial life by dispersing risks, distributing savings, and stimulating investment and trade.

GROWTH AND DEVELOPMENT OF THE INDIAN INSURANCE INDUSTRY:

The Oriental Life Insurance Firm was the first life insurance company in India, having been established in Calcutta in 1818. Since then, it has continued to expand.

The industry expanded at dizzying speed. The first law to govern the life insurance sector was the Indian Life Assurance Companies Act, which was passed in 1912. The Indian Insurance Firms Act of 1928 gave the government the authority to collect information on both life and non-life insurance companies.

With the purpose of protecting the interests of the insuring public, the Insurance Act of 1938 consolidated and revised prior legislation. In 1956, the Indian and foreign insurers and provident funds were nationalized by the federal government. On September 1, 1956, the Government of India invested Rs. 5 crores in LIC (Life Insurance Policy) by an Act of Parliament.

This nationalized the insurance business

The Triton Insurance Firm Ltd., the first general insurance company formed in 1850 in Calcutta by the British, is the forerunner of the general insurance industry in India.

The following are some significant milestones in India's general insurance industry:

- The Indian Mercantile Insurance Ltd. was established in 1907, and it was the first company to handle all types of general insurance business.
- In 1957, the General Insurance Council, a division of the Insurance Association of India, established a code of conduct to ensure fairness and sound business practices.
- The Tariff Advisory Committee was established in 1968 when the Insurance Act was revised to control investments and create minimum solvency margins.
- The General Insurance Sector (Nationalization) Act of 1972, which took effect on January 1, 1973, nationalized the general insurance business in India.

- The Malhotra Committee was established in 1993 by former Finance Secretary and RBI Governor R.N. Malhotra to assess the Indian insurance market and provide recommendations for its future direction.

THE INSURANCE REGULATORY AND DEVELOPMENT AUTHORITY (IRDA):

In December 1999, Parliament passed the IRDA Bill. This is a regulatory organization tasked with safeguarding policyholders' interests as well as regulating, promoting, and ensuring the insurance industry's orderly expansion. The IRDA has been drafting laws and registering private sector insurance businesses since its inception as a statutory organization in April 2000.

A Chairman, five full-time members, and four part-time members make up the ten-member IRDA team. The IRDA permits new insurance industry participants to register. Registrations can also be renewed, changed, removed, suspended, or cancelled. IRDA guarantees that policyholders' interests are safeguarded in areas such as policy assignment, nomination by policyholders, insurable interest, payment of insurance claims, surrender value of policy, and other terms and conditions of insurance contracts. For insurance intermediaries and agents, it specifies minimum credentials, a code of conduct, and hands-on training.

Since the IRDA's inception, the insurance business has grown. There were only two insurance firms in India prior to the establishment of the IRDA: the Life Insurance Corporation of India (LIC) and the General Insurance Corporation of India (GIC) (GIC). 23 new insurance businesses have entered the market since then.

PROGRESS SINCE NATIONALIZATION:

Unfortunately, new business was negatively impacted in the early aftermath of nationalization, with a decrease in the number of policies and the amount insured. This was due to a lack of technical manpower and a lack of completion of the divisional and branch office reorganization process. In 1954, the premium rates were also significantly reduced.

"The year 1957 was especially challenging since the cost of living was high, investors were hesitant, and ordinary people were affected."

There were 245 insurance businesses at the time of nationalization, with a total value insured of Rs 2 billion. LIC has grown from 0.932 million policies in 1957 to 1.2 million policies now.

In 2001, there were 22,491,304 policies. The first-year premium earned in 2001-2002 was Rs 99.6554 billion, up from Rs 130.6 million in the 16 months ended December 31, 1957.

1200 LIC branches are located in rural locations, out of a total of 2048. LIC is a life insurance company that sells and serves policies across the country. Group insurance is becoming more popular.

In terms of premiums underwritten, life insurers increased by 178.83 percent from 2002 to 2003. Six of the eight private non-life insurers recorded net profits in 2003-04. In terms of premiums underwritten, private insurers increased by 67.27 percent from 2002 to 2003. The increase in premiums may be ascribed to an increase in mega risk policies, where premiums are set by the reinsurer; an increase in motor tariff rates in conjunction with an increase in vehicle sales; customer-driven demand for medical insurance; and a strong economy.

In 2003-2004, public sector non-life insurers had an 87 percent market share in terms of premium covered. In the life sector, LIC had a market share of 95.29 percent of the gross premium covered. In terms of first-year premiums, it had an 87 percent market share in 2003-04.

LIC has established a strong foothold in rural India in recent years. It has also spread to nations such as the United Kingdom, Mauritius, and Fiji. In June 1992, it began selling unit-linked products in the United Kingdom in cooperation with Sun Life, one of the country's biggest life insurance firms. Nepal, Bahrain, Kenya, and other African countries are also home to the company.

THE PRESENT STATUS OF INDIAN INSURANCE INDUSTRY:

By 2020, India's whole insurance business is expected to be worth US\$ 280 billion.

The life insurance sector is expected to increase at a CAGR of 5.3 percent between 2019 and 2023.

In FY21, India had a 4.2 percent insurance penetration, with life insurance accounting for 3.2 percent and non-life insurance accounting for 1.0 percent. India ranks 78th in the world in terms of insurance density in FY21.

In the first half of FY22, the life insurance sector increased at a 5.8% annual rate, compared to 0.8 percent the previous year.

In September 2021, new premiums from life insurers grew by 22.2 percent, compared to 2.9 percent in September 2020.

STRENGTHS AND WEAKNESSES OF THE INDIAN INSURANCE INDUSTRY:

The following is the SWOT analysis of LIC and GIC:

STRENGTHS:

After nationalization, the government improved the quality of the product. Due to computerization, delivery systems have improved, product offerings have increased, geographical spread has increased, remote areas have been covered, systems to manage large funds have increased, infrastructure funding has increased, social obligations have been met, and services have improved. It has a stable financial foundation. Professionals are on hand to assist you. General insurance, which is regulated by the government, has a strong international presence.

WEAKNESSES:

- Poor customer service is one of the industry's weak points.
- A large marketing and service network that is not responsive to client needs.
- Most agents and development officials lacked technical understanding, and they failed to give enough information about the range of available coverage.
- Insurance coverage was prohibitively pricey.
- The degree of awareness was insufficient.
- Overstaffing, low productivity, and bad discipline.
- Limited spread of rural and welfare oriented insurance.
- Technology is used sparingly.
- Interference by the government in the public sector. There was an excessive amount of government-directed investment, which resulted in weak investing skills.
- LIC's administration is too hierarchical, with a poor marketing structure and a high agent turnover rate.
- In comparison to other financial tools, the return on life insurance is smaller.

OPPORTUNITIES:

Government regulations that restrict growth are being abandoned, and public sector units are being enabled to make autonomous decisions, allowing them to choose their own growth path.

They should also be able to demonstrate their prospective strength by taking advantage of exceptional possibilities such as the following:

- Important for development
- Forming limited joint ventures with suitable partners to explore unexplored areas.
- There are now more technological, financial, and specialized area-based channels for absorbing enhanced systems, as well as easier access to innovations in more sophisticated industries.

THREATS:

In a competitive market, opportunities are accompanied with risks. By delivering superior service, goods, and flexibility, private entrants are focusing on the profitable and more lucrative niches. They are aiming for larger corporations and other businesses.

Clients in well-established metropolitan locations have been able to cut into the existing businesses' market share.

Companies are abusing their power. Such tactics will only provide short-term benefits. For current businesses, retaining experienced and competent CEOs will be a significant difficulty.

One extremely hazardous element is that even if the government decides to disinvest a portion of its stock at some point in the future, they may not be completely free of government meddling. They could have issues, but not in the public sector. Their job might be the same as it was before their ownership structure changed. This might pose a serious danger since they would be competing against units that are not bound by such artificial and unneeded constraints.

The private sector will have an advantage due to superior work culture and technology. Because of the potential for job losses in the public sector, no major attempt was made to update technology and equipment. As a result of their lack of infrastructure investment, they may fall behind in the race.

One of the most difficult issues will be dealing with the excess workers that they are compelled to carry in comparison to the smaller facilities with which their competitors began their business. This threat must be addressed cautiously because some downsizing is required.

ANALYSIS OF INDIAN INSURANCE INDUSTRY

PORTER'S FIVE FORCE MODEL

Threat of New Entrants- A typical entrepreneur will not be able to start a large insurance company. The insurance industry itself poses a threat to new entrants. Some insurance companies have carved out niches in which they write policies.

These insurers are concerned about being forced out by the big players. The entry of other financial services organizations into the market is also a danger to many insurance companies.



Power of Suppliers- The threat of suppliers luring away human capital is more dangerous than the threat of suppliers luring away capital. If a competent insurance underwriter works for a small insurance business (or one in a specialty sector), larger corporations wishing to enter a market may be enticed to hire him or her. Establishing alternative distribution channels, such as collaborations with banks, brokers, and corporate agents, is one way to increase insurance penetration.

Power of Buyers- The individual does not pose a big risk to the insurance industry. With huge corporate clientele, insurance companies have far more negotiation power. Each year, large business clients such as airlines and pharmaceutical corporations spend

millions of rupees in premiums. Insurance firms work hard to obtain high-profit business clients.

Availability of Substitutes- There are several substitutes available in the insurance industry, so this one is simple. Almost all substantial insurance companies offer similar services. Whether it's car, home, commercial, health, or life insurance, there are certainly rivals that can supply similar services. Alternatives, on the other hand, are few in numerous insurance areas. Companies that specialize in niche markets often have a competitive advantage, although this advantage is entirely reliant on the niche's size and the presence of entry barriers.

Competitive Rivalry-The insurance market is getting more competitive. In most circumstances, the difference between one insurance company and another is little. As a result, insurance has become more of a commodity, with the lowest cost structure, highest efficiency, and best customer service winning out. Insurance firms also try to entice clients by providing better investment returns and a variety of insurance investment options. The insurance industry is expected to grow more centralized in the long run. Larger firms prefer to acquire or merge with another company rather than spend money on marketing and promotion.

Merge with another rather than spend the money to market and advertise to people.

In the next page I have done **PEST ANALYSIS** of Indian Insurance Industry

DRIVER	CONSIDERATION FOR INSURERS AND CORPORATIONS
<ul style="list-style-type: none"> ❖ Political <ul style="list-style-type: none"> ▪ Integration of Countries ▪ War & other instability ❖ Economic <ul style="list-style-type: none"> ▪ World monetary union, Globalization, Acquisition 	<ul style="list-style-type: none"> ▪ Will there be opportunities for cross-border business? ▪ Will tax & regulation be harmonized? ▪ Will cover be available and how much will it cost.

<ul style="list-style-type: none"> • Changing industry patterns • Inflationary environment • Price & availability of insurance cover <p>❖ Social</p> <ul style="list-style-type: none"> • Demographic Shifts • Intolerance of Environment related damages • Increasing propensity to litigate <p>❖ Technological</p> <ul style="list-style-type: none"> • Modeling capabilities • Increasing processing power • Propensity to outsource <p>❖ Environmental</p> <ul style="list-style-type: none"> • Increasing regulatory control • Changing weather patterns • Pollution Control 	<ul style="list-style-type: none"> • Will cross-border competition increase? • How the traditional insurance meet the risk financing needs of global corporations? • Increasing dominance towards services industry. • Inflation affects interest rates which affect the cost of capital and therefore insurance take-up. • Will the equity market remain buoyant? <ul style="list-style-type: none"> • Increasing need for funded pension and securities. • Increasing need for environmental cover. • Increasing need for liability & negligence cover. <ul style="list-style-type: none"> • Insurance better priced for catastrophe and weather risk • Competitive advantage through information optimization • More focus on core competency • Small players will find it difficult to compete effectively. <ul style="list-style-type: none"> • Increasing demand for cover plus additional vandalism. • Increasing need for sophisticated modeling techniques. • Greater need for risk management.
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CONCLUSION:

Today, insurance industry is a \$ 10 billion worth industry in India and by 2010; it will be \$ 60 billion according to Associated Chambers Of Commerce and Industry of India.

The funds raised from investment contribute 18% of India's GDP.

There is a vast untapped market in India. 22 million people are still uninsured. There is a very high scope of growth in insurance industry.

GOLD PRODUCTS

This is basically a seasonal product for the bank. These products are sold during the occasions like Akshaya Tritiya, Dhanteras etc... This product comes in the form of coins & biscuits. The distinguishing features of these products are –

- Assay certification
- Tamper proof pack
- In 5g, 8g, 20g & 50g
- 24 carat
- 99.99% pure gold

The USP for selling these gold products could be –

- 1) Sentimental value of the gold& the proper occasion,**
- 2) An excellent gift item**
- 3) An investment for the future.**

Marketing Strategies of ICICI Bank for selling gold products ---

ICICI bank & HDFC bank nowadays sold these products but ICICI bank is the pioneer in this product. For example in 2006 at the occasion of Akshaya Tritiya ICICI bank sold 50kgs of gold. This itself was an achievement for the bank. As I have already mentioned in my project proposal ICICI bank as a commercial bank believes in the concept of aggressive selling which is actually one of the key factor behind the success of their overall operation. The instances to prove that are many, most recent of those is this year's target on the occasion of Akshaya Tritiya is not double or triple of the previous year's target but actually four times i.e. 200 kgs

ICICI bank sells these gold coins by making business tie-ups with the major malls in the city area, where customer's foot-fall are quite high. This is done on a commission basis or fixed charges basis.

Also they go to the high-class housing complexes to promote their products. They go for arranging some cultural events like 'mehndi lagao' events.

These are the promotional events although the basic purpose is to sell with the help of all these events. Added to that there were ads in the TV channels, both local & national channels, tie-ups with FM radio channels etc. to give it a full force.

Actually these events are mainly targeted to attract the mind of the customers & this was designed by keeping in mind the behavior of the southern people who are quite firm believer of God & also believer of these kinds of auspicious occasions. The mind-reading of the targeted customer segment is quite important in formulating any kind of marketing strategy. When I have analyzed all the strategies regarding selling of gold, one thing was very clear to my mind i.e. they have analyzed the consumer behavior perfectly & that is the main reason behind their success story.

1.2 Background

The vertebrae of an economic plan are financial markets. It facilitates the cross-sectional allocation of share capital in the productive sectors of the economy. This capital allocation aids in maintaining favorable conditions for savings and investment. The financial system is more dynamic than the real system since it has always responded to the economy's requirements in order to assist it achieve its objectives. There are so many investment opportunities to pick from in today's financial system that it's difficult for anyone to decide which ones to pursue. Some of these investment options promise great profits but considerable dangers, while others promise lesser yields but relatively low risks. An overview of different investment options, including a risk-return trade. If an investment meets all of the needs of all investors, it is said to be a perfect investment. As a result, the first step in finding the ideal investment is to consider the investor's requirements. If an investment satisfies all of these requirements, it is referred to as a perfect investment. The majority of investors and advisors spend a significant amount of time considering the attributes of the thousands of assets available in India.

The success of a country's economy is dependent on its financial markets. They help the country's investment activity to increase by transferring cash from savers to borrowers, making it simpler to deploy scarce resources.

Investors are rational, according to traditional finance theory, and they evaluate all relevant evidence before making logical decisions. However, multiple studies and research have revealed that investors act irrationally while making decisions, generating systemic errors. Behavioural finance is a relatively young discipline that has emerged in the last 25 years that studies how psychology influences financial decisions. It combines classical economics and finance with behavioural and cognitive psychology theories to describe how individuals act in financial circumstances and make financial decisions.

Many individuals enjoy investing because it allows them to take part in the decision-making process and see the results of their choices. Investors do not always make the greatest long-term investment decisions, therefore not all investments will be profitable. Investment is a serious topic that may have a substantial influence on a person's financial future. Almost everyone makes some kind of investment. Even if a person does not want to invest in stocks, he or she can do so through a pension plan, an employee savings programme, or the purchase of life insurance, a house, gold, silver, bonds, post office savings, or real estate.

Each investment has characteristics in common, such as the potential for profit and the risk involved. Because a higher return is linked to taking on greater risk, one must consider how much risk they are ready to tolerate.

The socioeconomic features of Indians are quickly changing. People currently seek for better ways to invest their money and spend money on things and services that were once considered luxuries. This is primarily due to the fact that today's customers not only have a larger selection of money-saving devices to choose from, but they are also more knowledgeable and aware of their alternatives. Traditional savings choices like fixed deposits and savings at the post office are gradually being supplanted by more diversified investment options including insurance, mutual funds, bonds, equities, and even real estate. Savings refers to money that has not yet been spent or consumption that has been postponed. Putting money in a bank or participating in a pension plan are examples of savings techniques. Cutting down on recurrent costs is another way to save money. Saving, as opposed to investing, refers to low-risk money preservation, such as in a savings account.

Individuals must not only maintain and expand their existing financial resources in today's fast changing financial market, but also plan for future security and income loss. This necessitates meticulous preparation and sound financial asset management.

Financial planning is vital for reaching one's objectives and ambitions, whether it's caring for one's family, purchasing a home, or purchasing a car. Even if one of the family's income earners dies, smart planning secures the family's financial stability for the rest of their lives. It is critical to not only include life insurance investments in a strong financial strategy, but also to provide enough insurance coverage. Individuals must speak with a licenced Financial Planning Adviser about their specific needs in order to choose the right plan and coverage quantity. Consumers now have a wide range of new and creative items to choose from. The guaranteed present value of an uncertain future return depending on customer demands is called an investment.

1.3 Problem Statement

First and foremost, a market survey was conducted in New Delhi, where a pool of salaried individuals exists. Even while there is some variety among the responders, it is insufficient to draw any conclusions or make any generalizations. At best, we can provide some insight into Delhi's customer behavior in terms of I & S. **Second**, just like in other surveys, there are

Some people who are hesitant to respond appropriately to the questions that have been posed to them. It could be for one of two reasons: people are unwilling to respond, or the questionnaire has errors that fail to reveal the genuine picture in a few cases. However, I must point out that these situations are quite limited, i.e. small in number, when seen in a broader context.

The literature listed does not explore the investment behavior/perception of investors in various investment avenues accessible in India since no attempt is made to extract the essential underlying elements of investment, their relative importance, or their link with demographic characteristics. The majority of studies show that investor perceptions of various investment channels in India are inconsistent. These research gaps are addressed in the current work.

1.4 Objectives of the Study

- To understand the perceptions of the investors about investment.
- To learn about investors' investing preferences.
- To understand the impact of demographic factors on investors' investing decisions.

CHAPTER 2

LITERATURE REVIEW

Raut, Rajdeep Kumar, and Rohit Kumar. *"Investment decision-making process between different groups of investors: a study of Indian stock market."* *Asia-Pacific Journal of Management Research and Innovation* 14, no. 1-2 (2018): 39-49. It has been discovered that behavioral biases have a widespread influence on financial market participants' decisions, resulting in stock market inefficiencies and increasing the financial system's fragility. This result demonstrates that inexperienced investors examine others' activities, extract knowledge from them, and then, ostensibly discarding their own information, follow the majority's lead. Finally, under the effect of anchoring bias, inexperienced investors were found to make more illogical decisions than experienced investors. This research implies that new Indian investors make the majority of their judgments based on a reference point (anchor), which is the investors' first piece of information regarding a stock's performance.

Davar, Yesh Pal, and Suveera Gill. *"Investment Decision Making: An empirical study of perceptual view of Investors."* *Metamorphosis* 6.2 (2007): The findings imply that investors' preferences are purportedly linked to investment performance, and that this is taken into consideration when formulating an opinion about future investment decisions. In addition, demographic characteristics such as age and education have a big impact on the IDM process. For all investment channels, the underlying dimension in investment selection demonstrates a reliance on familiarity, opinion, and demographic variables. The paper's study confirms that rational humans learn from their previous and present experiences and apply what they've learned to their future behaviors.

Krishna, UM Gopal, Aliya Sultana, and T. Naraya Reddy. *"Investors Perception towards Investment Avenues'."* *International Journal of Recent Technology and Engineering* 8.2 (2019): The study demonstrates that the causes for investors' investment preferences change across investment outlets. The investment objectives of the investor, such as risk, return, safety, and liquidity, determine the investor's preference in Investment Avenue.

The majority of investors seek profits from the stock market, whereas bond investors incur risks .In exchange for periodic payments. Investors who are risk averse prefer to put their money into Mutual Fund Investment Avenue for Future Needs.

Arora, Sangeeta, and Kanika Marwaha. "Investment patterns of individual stock investors: An empirical analysis of Punjab." *Asia-Pacific Journal of Management Research and Innovation* 8.3 (2012): The leading preference was determined to be bank fixed deposits, followed by gold as the second preference, and stocks as the third preference. The factor study found four factors: expected benefits, personal financial need, tax benefits, and security requirements. Their favored sources of knowledge are the internet, investment advisors, and suggestions from family members. A large number of investors have been discovered checking on their investments on a monthly basis. The current study will aid financial service providers in better understanding individual stock investors' investment preferences, tracking the elements that influence their decision to invest, and recommending investment solutions to them based on their needs.

Døskeland, Trond, and Lars Jacob Tynes Pedersen. "Does wealth matter for responsible investment? Experimental evidence on the weighing of financial and moral arguments." *Business & Society* 60.3 (2021): they conduct a large-scale natural field experiment they treat investors with financial, moral, and no objections when it comes to responsible investment. They discover that investors of varying wealth respond differently to financial and moral arguments, which is statistically and economically significant. For high-wealth investors, financial reasons are more powerful than moral arguments, but not for low-wealth investors, and the effect is especially strong for the wealthiest investors. The conclusions hold true for a variety of wealth measurements. Their findings add to our understanding of wealth's moderating effect on responsible investment selection. Furthermore, these findings could lead to more refined tactics to encourage responsible investment among various investor segments.

Mak, Mark KY, and Wao-Han Ip. "An exploratory study of investment behavior of investors." *International Journal of Engineering Business Management* 9 (2017): This exploratory study proposes linear regression models of Mainland Chinese and Hong Kong investors' financial investment behavior to solve the observed research gap. According to regression analysis, I Mainland Chinese and Hong Kong investors

Have significant disparities in financial investment behavior, and (ii) investors' psychological, sociological, and demographic characteristics are important determinants of their investment behavior/preferences. As a result, financial service providers can predict their clients' investment behavior/preferences and make marketing and strategic decisions, such as designing their financial investment portfolios based on regression models.

CHAPTER 3

RESEARCH METHODOLOGY

The method of gathering data and information for the purpose of determining commercial decisions Publication research, surveys, and other research methods may be utilized in the process which might include both current and historical data.

- Data is gathered from a variety of individuals through google forms.
- Additional relevant material gleaned from secondary sources such as articles, journals, and research papers.
- The research methodology is a quantitative type of research.
- Questionnaire is used for the study of a sample size 250 to study the consumer perception in different localities of Delhi.

3.1 DATA COLLECTION TECHNIQUE

A research methodology is a way for systematically tackling a research topic. Various approaches and strategies for doing research were incorporated in the research methodology. Through human engagement, data is acquired from a variety of consumers. For data collection, a specific questionnaire has been created. Data is gathered through filling of google forms by various respondents. Other important material was collected from secondary sources such as articles, journals, and research papers. A structured questionnaire was utilized to understand the consumer perception of Investment in different products with a sample size of 250 people.

3.2 RESEARCH DESIGN

Market research was held to learn the truth from investors regarding their perceptions of various investment options. It was carried out to learn about people's investing habits and behavior, such as how much they invest, why they invest, and where they invest. At the end of this, a questionnaire was created to gather the above-mentioned information from the investors. The majority of the questions in the surveys were objective in character, allowing respondents to fill them out quickly and easily.

3.3 TYPES OF RESEARCH

The current study is both "EXPLORATIVE" and "DESCRIPTIVE" The 'Exploratory Study,' also known as data-based research, is a study based only on observation and experience. Exploratory research does not aim to provide definite answers to research issues, but rather to look at the topic in many ways. "Exploratory research generally focuses on unique, previously unstudied problems." "The preliminary investigation that acts as the foundation for more definitive research is known as exploratory research." A 'Descriptive Study' is a research project that explains a condition, an issue, a service, or a strategy. It does not address how, when, or why the qualities developed, but rather the "what" inquiry.

3.4 DATA COLLECTION

Required Information has been collected from both primary and secondary data sources. Questionnaires were used to obtain primary data. The research was conducted through the completion of questionnaires by relevant officials.

PRIMARY DATA

The primary data is obtained directly from the customer, i.e., from various companies of clients as well as from various areas of consumers. A primary data set is information that is acquired for the very first time and is hence unique in character. The basic data is gathered from several officials using a questionnaire.

SECONDARY DATA

Information is gathered in an indirect manner from sources that include historical or current information, such as the company's official website. Articles, novels, and research papers. Secondary data information has already been obtained from another source. Secondary data is collected from many sources, including websites, annual reports, and financial reports.

3.5 TOOLS OF DATA COLLECTED

A structured questionnaire is used in the project to collect the primary data from working employee who is investing in various products of Investment and they are willing to invest as future investment. The questionnaire consists of few questions that are totally related to help to study the research.

3.6 SAMPLING TECHNIQUE

The project's selection approach is simple random sampling, in which the chance of choosing a person is equal. A convenience sampling method is one in which the researcher selects samples based on his or her own judgement.

3.7 SAMPLING PROCEDURE

The sample is chosen at random, regardless of whether or not they are investors or use the services. It was gathered through the completion of a questionnaire.

- Sample size: My project has a sample size of only 250 people. All of the questions were attempted by everyone.
- Sample design: Data was presented through pie charts and bar graphs.
- Sampling area: Delhi.

ANALYTICAL TOOLS AND TECHNIQUES STATISTICAL AND PRESENTATION TOOLS:

The tools used for presentation of response from various officials are Pie Charts and bar graphs with MS Excel.

SAMPLING TECHNIQUE: - Convenience sampling.

CHAPTER 4

ANALYSIS AND DISCUSSION

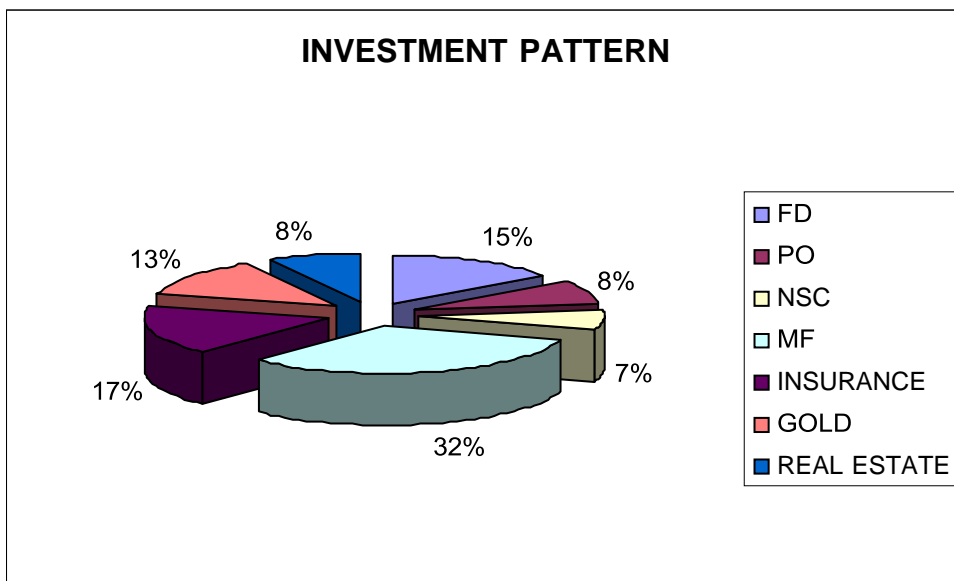
Graphical analysis of the results obtained through market survey –
(Refer to questionnaire for any reference, attached in the annexure 1)

- Sample survey
- Sample size – 250
- Survey area – New Delhi
- Software requirements – for primary graphical analysis Ms.- Excel

For final analysis & decision –making & recommendation (data analysis & extraction of factors & discriminant analysis)

DESCRIPTIVE STUDY

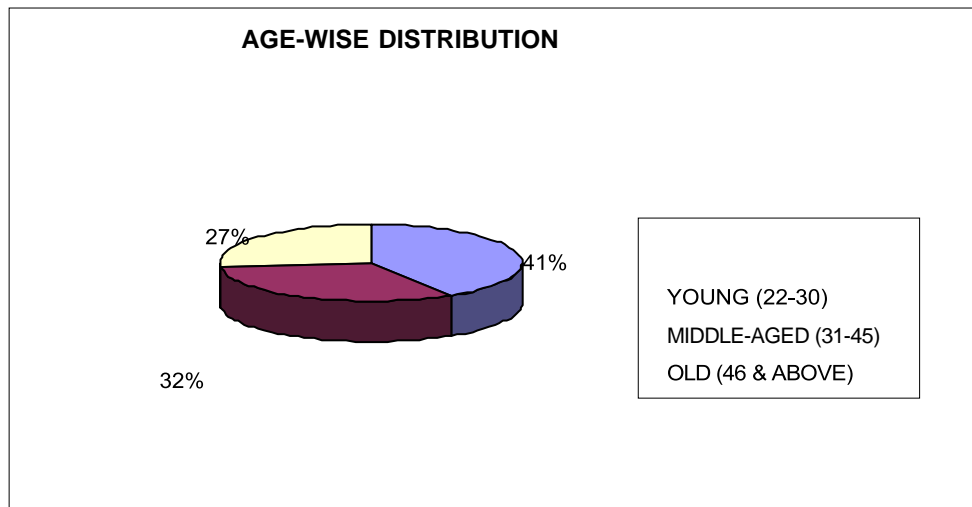
On the basis of investment pattern –



(Source: - Author's Calculation based on the data collected from primary survey)
(Fig. 1)

Here we can see that out of the total sample size a major chunk invests in mutual funds this can be due to many factors. The people are well-educated & most of them know few things about the market also. The factors like performance record, brand name of the AMC etc. Are proved to be quite important in this regard.

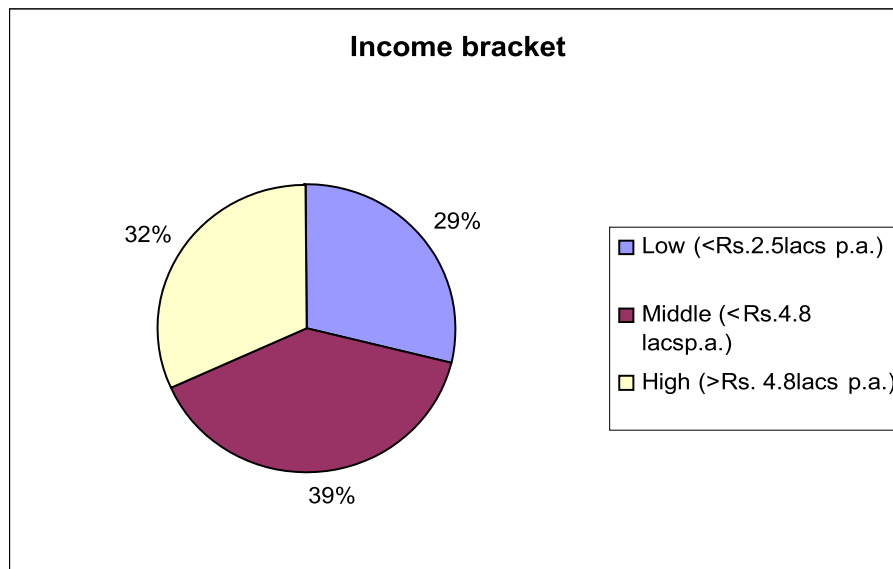
Age wise distribution of the sample –



(Source: - Author's Calculation based on the data collected from primary survey)
(Fig. 2)

I have classified the total population under 3 heads young age population consists of people who are in the age of 22-30 years, middle aged i.e. in the age of 31-45 years & people who are above 46 are grouped under old aged people. This is simply because socio-economic factors & also the risk perception vary with the age. The general trend is that young generation is mostly quite ready to take calculated risk while major chunk of the old & middle-aged people are ready to play safe. But of course there are exceptions also which were observed while doing the survey.

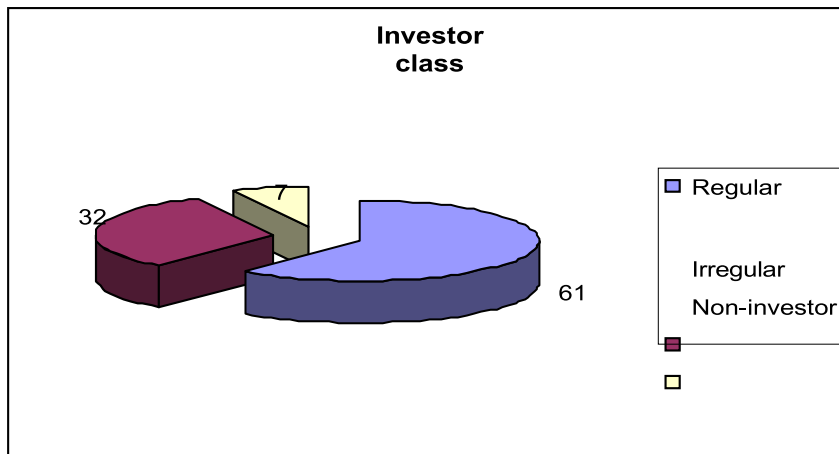
Income bracket of the sample size—



**(Source: - Author's Calculation based on the data collected from primary survey)
(Fig. 3)**

Among the demographic factors income is one of the most important factors. As because investment is in a way is a part of the total disposable income. Amount of investment & the pattern of the investment also vary with the income bracket. Here we have to remember one thing that we have considered annual family income in this regard as because in most of the cases nowadays we observe working couples. So investment decision depends upon their combined income.

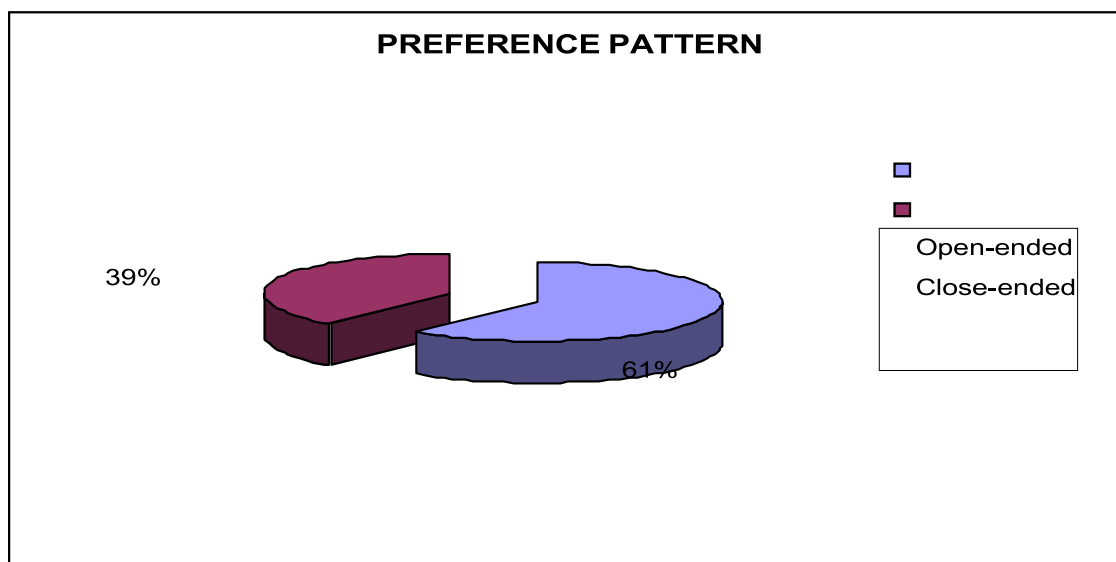
Investor class—



(Source: - Author's Calculation based on the data collected from primary survey)
(Fig. 4)

Here also if we see the sample structure then also we can see that there is a lion- share of the sample size which belongs to regular investor class, the proportion of irregular or non-investor is much less. Regular investors are largely aware of the recent market situation but their requirements are also quite specific. In most of the cases they are the long-term players.

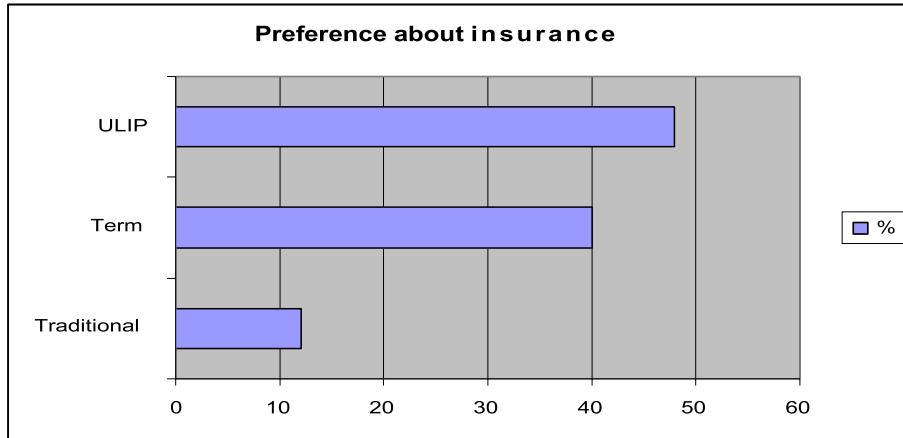
Investment preference w.r.t. MF -



(Source: - Author's Calculation based on the data collected from primary survey)
(Fig. 5)

There is a biased response for the open-ended Mutual Funds in comparison with the close-ended one. The factors behind the choice of the open-ended MFs will be Discussed in the final analysis.

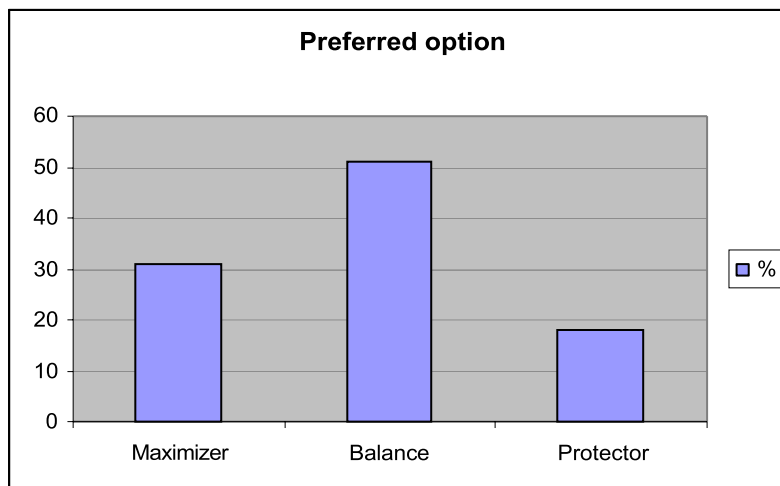
Preference about insurance –



(Source: - Author's Calculation based on the data collected from primary survey)
(Fig. 6)

If we see the preference about insurances, from the responses itself it is clear that ULIP is the most preferred option. Is flexibility is the only reason behind this kind of attitude or there are other reasons.....what kind of investors go for term insurances? Actually in case of ULIPs options are much more & benefits are also multi-dimensional so nowadays most of the investors go for ULIPs. But in case of ULIPs mortality charges are little bit high.

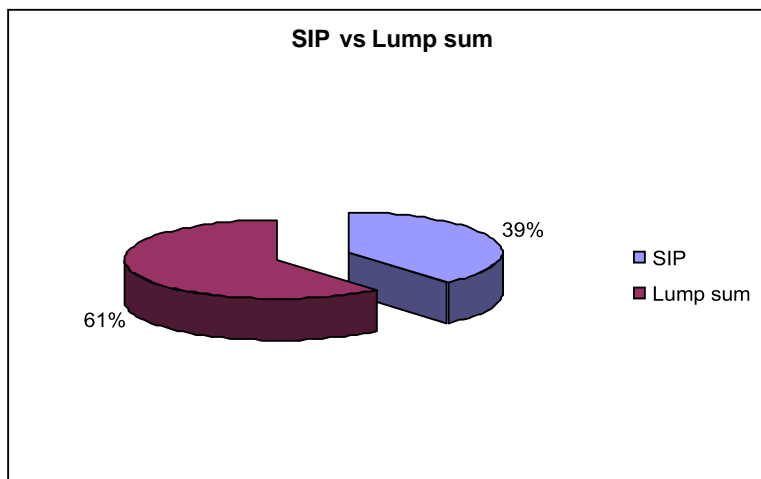
Preferred option –



**(Source: - Author's Calculation based on the data collected from primary survey)
(Fig. 7)**

Here also if we look at the bar chart balancer is clearly the most preferred option. Risk-perception is the key factor behind this. Say for example, when market is doing well & overall financial sector is in a stable position it is clever to invest in maximizer. As because nowadays there is an option for free of cost shifts, so if there is any sudden change in the market the investor can switch from one option to another. So actually there is much less risk than what is perceived.

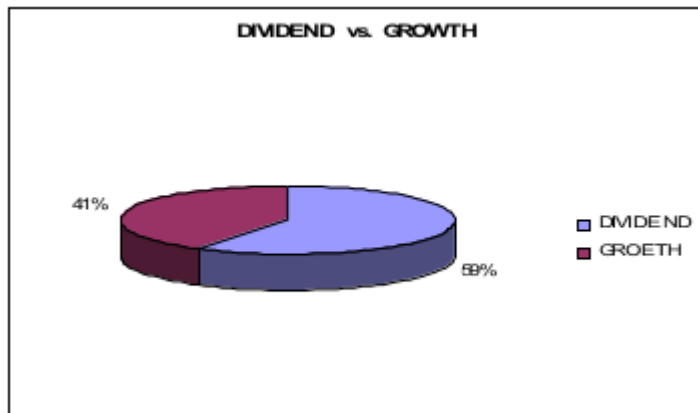
SIP vs. Lump sum



**(Source: - Author's Calculation based on the data collected from primary survey)
(Fig. 8)**

Systematic Investment Plan (SIP) is a good option for the investors who don't have any large amount available with them at a certain point of time & who want to invest regularly a certain amount while lump sum refer to the one-time investment. Here we can see the large portion of the sample is inclined towards lump sum investment. This can be due to sample bias.

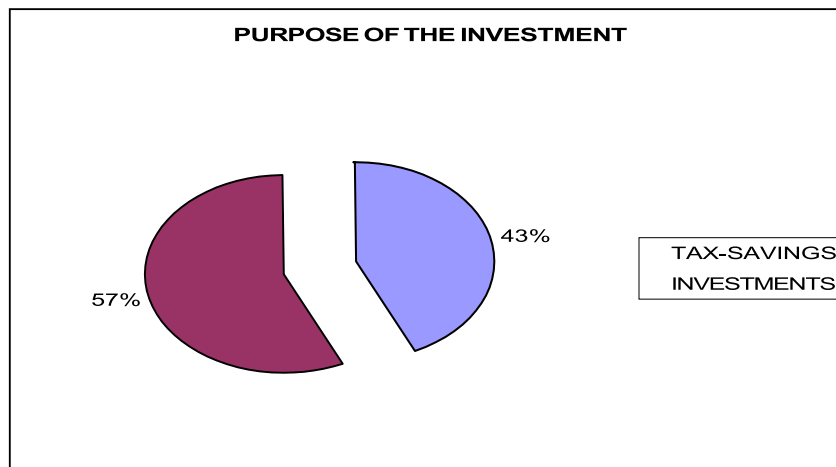
DIVIDEND vs. GROWTH



(Source: - Author's Calculation based on the data collected from primary survey)
(Fig. 9)

I have also tried to identify the most preferred option regarding the returns i.e. dividend vs. growth. In dividend also there are options like re-investment or pay-out. The survey tried to differentiate between the two & to analyze the purpose of the investment properly. This differentiation arises because of the simple reason whether the investor is a short-term or long-term player.

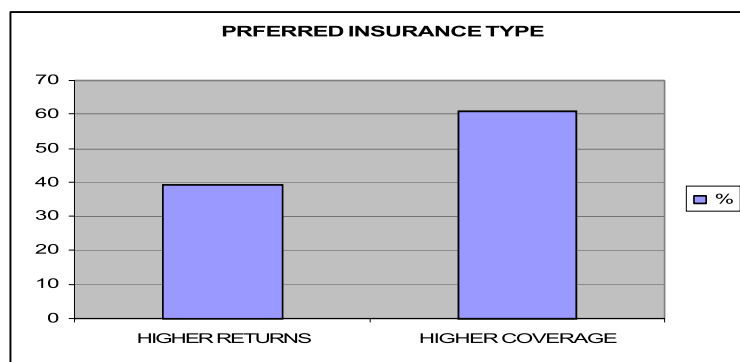
Purpose of Investment -



(Source: - Author's Calculation based on the data collected from primary survey)
(Fig. 10)

There are two different purposes behind the investment & the options also vary according to that. This happens because of the time of the investment also as because when an investor is investing in the month of March the purpose behind it is simply tax-savings. But when the same investors is making an investment during the year it may be for the purpose of investment only.

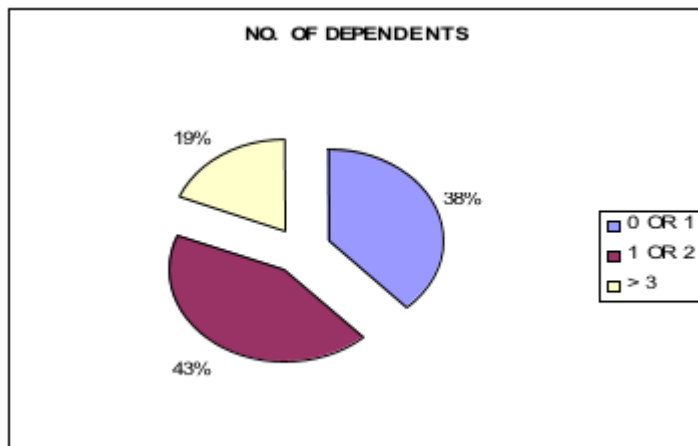
Preferred Insurance type --



**(Source: - Author's Calculation based on the data collected from primary survey)
(Fig. 11)**

I have also tried to segregate between the investor class for the insurance purpose, i.e. who are looking for higher returns & who are looking for higher coverage. This is simply because of the fact behavior of the customer also varies accordingly.

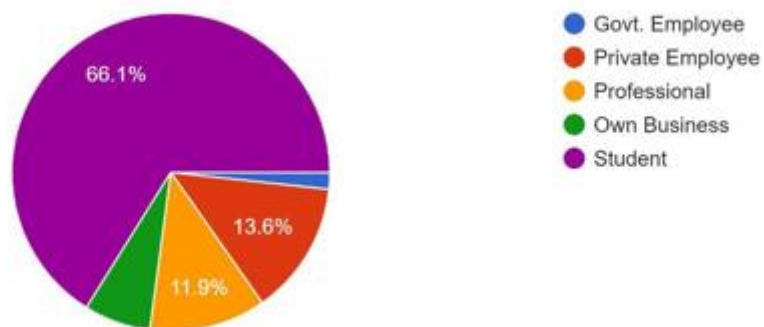
No. of dependents –



(Source: - Author's Calculation based on the data collected from primary survey)
(Fig. 12)

One major factor regarding any kind of investment is the no. of dependents a respondent have. As because the personal disposable income is somehow related to this factor. Degree of its effectiveness w.r.t. investment decision & pattern are generally quite high.

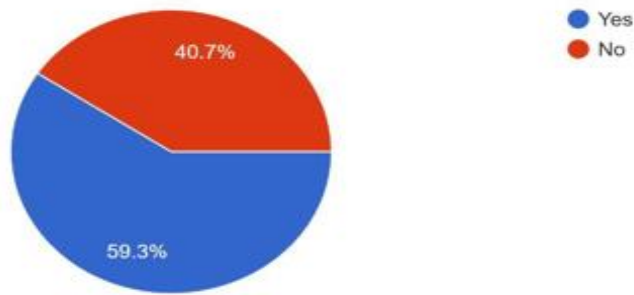
Your profession



(Source: - Author's Calculation based on the data collected from primary survey)
(Fig. 13)

From above data we can say that the young generation (18-29 Years of age or students) is moving towards the investment trend now a days. Young generation is quite enthusiastic towards investing and learning to build their portfolio.

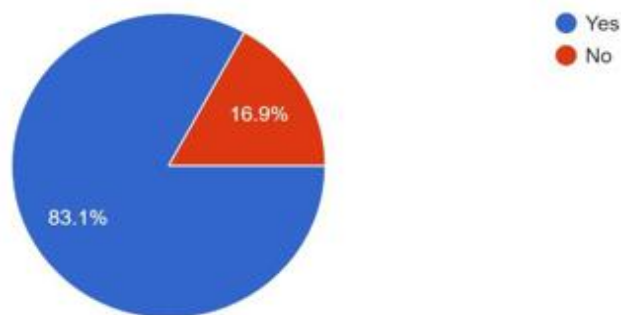
I invest to take the tax benefits



**(Source: - Author's Calculation based on the data collected from primary survey)
(Fig. 14)**

According to the above data 59.3% nearly 60% of the people invest with a goal to save tax while 40% people invest with other goals.

Capital growth is the reason for investment

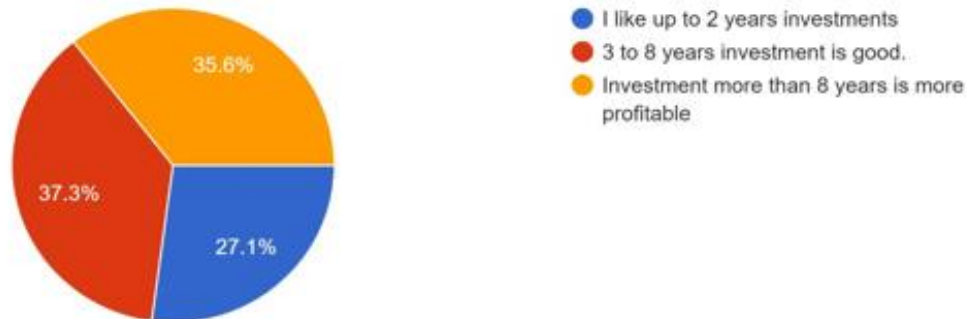


**(Source: - Author's Calculation based on the data collected from primary survey)
(Fig. 15)**

According to the above data 80% i.e., most of the people invest for capital growth.

Investment Preference according to the duration of Investment

Duration of Investment

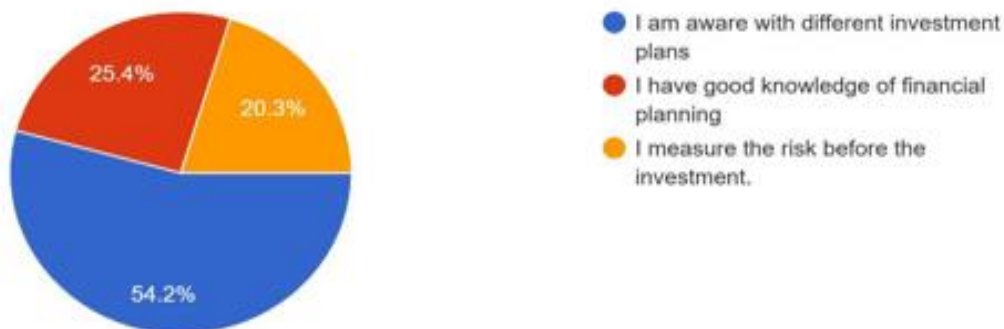


(Source: - Author's Calculation based on the data collected from primary survey)
(Fig. 16)

From the above data we can see that people like to invest in long term investment more than compared to short term investment.

Investment Pattern considering knowledge of Investment

How much are you aware about Investment

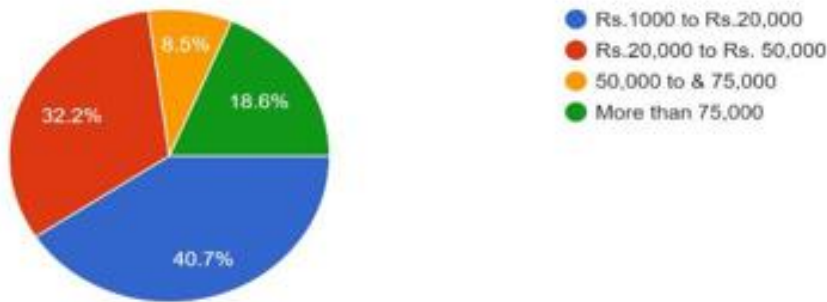


(Source: - Author's Calculation based on the data collected from primary survey)
(Fig. 17)

From the above data, Maximum people have knowledge about investment but only 20.3% percent measure the risk before investment.

Investment Pattern according to the Investment amount

How much you invest per year

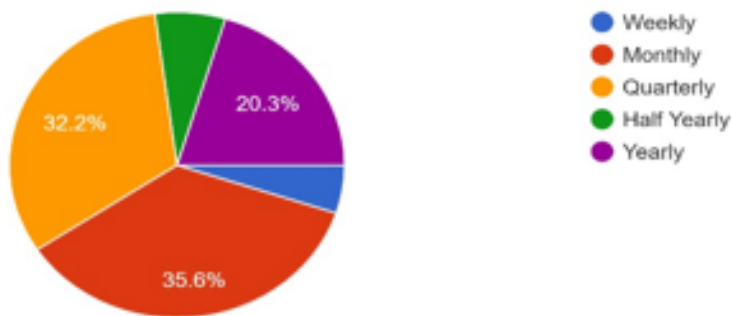


(Source: - Author’s Calculation based on the data collected from primary survey)
(Fig. 18)

Form the above data we can see that 40% of the population invest Rs1000 to Rs20, 000 per year while 32% invest between Rs20, 000 to Rs50, 000 a year 18.6% invest more than Rs75, 000 a year.

Investment Pattern according to the Frequency of Investment in one year

Frequency of investment

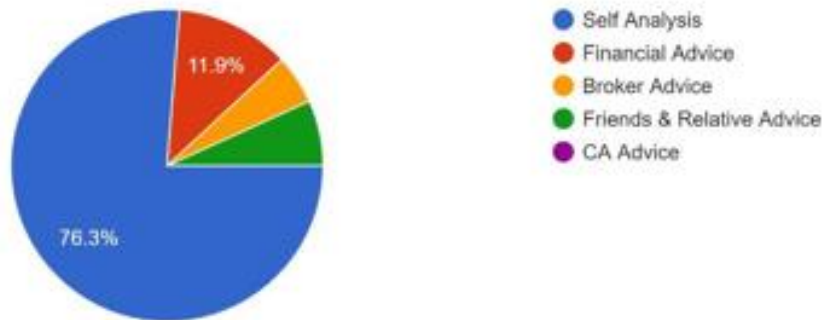


(Source: - Author’s Calculation based on the data collected from primary survey)
(Fig. 19)

From the data collected we can see that around 35% people like to invest monthly and 32.2% like to invest quarterly in a year, very less people like to invest half yearly but 20.3% try to invest yearly.

Investment pattern on how people get to know and decide about investment

Basis of Investment

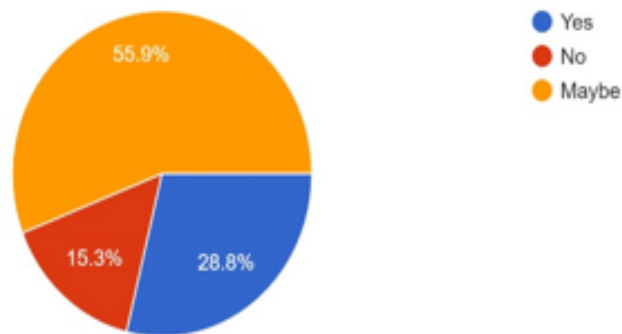


(Source: - Author's Calculation based on the data collected from primary survey)
(Fig. 20)

As we can see from above data maximum number of people do self-analysis to make decisions for investments, 12% use financial advisory help, very less people try to invest with friends and relatives' advice & 6.8% use brokers advice to invest.

Investment Pattern if their decisions differ on market movement

Does your investment movement differ from market movement?

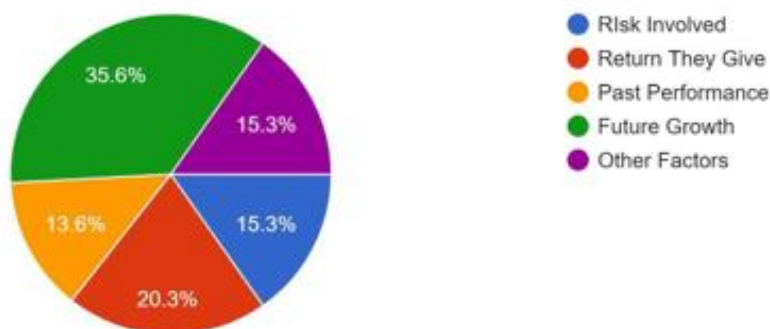


(Source: - Author's Calculation based on the data collected from primary survey)
(Fig. 21)

From the above data we can see that a majority of population's decisions differ by the market movement.

Investment pattern on the basis of Investment decision

Your investment decision is depending on

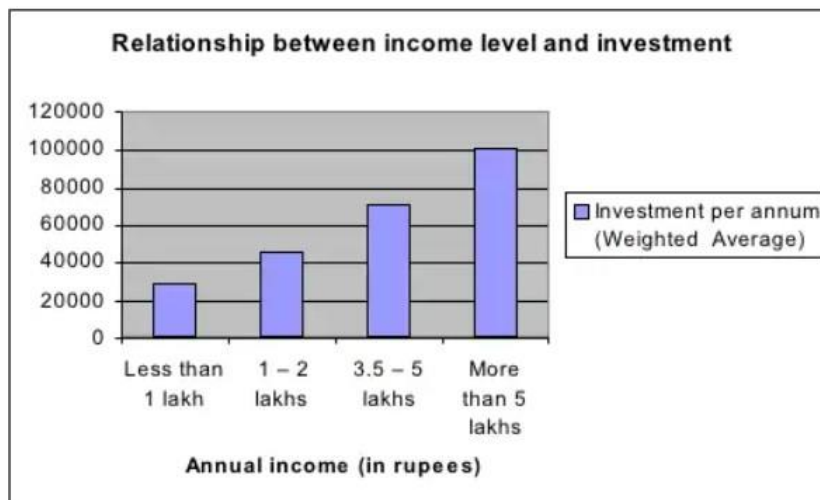


(Source: - Author's Calculation based on the data collected from primary survey)
(Fig. 22)

From the above data we can see that Maximum people select the investment on basis of future growth, least population see past performance to make decision while only 20% people decides on returns on investment & 15% see the risk involved in investment.

From the above data we can see that Maximum people select the investment on basis of future growth, least population see past performance to make decision while only 20% people decides on returns on investment & 15% see the risk involved in investment.

Relationship between Income & Investment amount



(Source: - Author's Calculation based on the data collected from primary survey)
(Fig. 23)

We can see from the graph above that when an investor's income rises, so does his investment, and the percentage increase in investment is greater than the percentage increase in income. It indicates that if an investor's income fluctuates, so does his portfolio. As a result, an investor's portfolio is based on his or her earnings.

CHAPTER 5

5.1 RECOMMENDATIONS

There are certain key observations during the progress of the project. Recommendation portion deals with this area only & how can this be improved to increase the efficiency & effectiveness in procedure. These are;

- Although aggressive selling is one of the key factor behind the success of this I&Ssection but still sometimes under too much pressure of target, grass-root level sales people give wrong information about the products just to sell the product & meet the target. It should be strictly monitored from long-run point of view.
- To create better predictions, stronger analysis tools should be used.
- It is suggested that investors base their decisions on the advice of their broker.
- Before making an investing decision, consider the risk and return.
- Regular SMS updates on the investment should be sent to the investors.
- Those who want to prevent risk should buy treasury notes or high-rated municipal bonds and debentures, among other things.
- Since the purpose and web-based communication is becoming more popular Investment firms should update the website periodically and provide up-to-date information.
- People prefer to invest in stocks, with commodities coming in second. To attract more investors, new firms should introduce new products/services such as equities research, futures, and options.
- Investors want investment firms to give better products/services, it should offer additional value-added services such as Gold Bees, ETFs (Exchange Traded Funds), and so on.
- Investors base their investment decisions on a variety of sources, Investment firms should begin advertising in business newspapers and magazines.
- Most investors' portfolios are diverse, there is a lot of room for new services. As a result, Investment firms should offer new intermediary services, such as adding more mutual funds.
- Investment firms should extend its business by opening additional branches in locations where they have a large number of customers.
- The funds will be pooled and invested in profitable ventures. As a result, the investor's return will be higher, which may lead to more investment in corporate securities.
- The government is also investing in lowering illiteracy among adults through an education programme. However, not only is the program's implementation lacking, but the educational substance is also lacking. As a result, investment education must be included as part of adult education.

5.2 CONCLUSIONS

To sum up, these two and a half months have been all about learning. Working on this project has taught me a lot. I attempted to conduct a thorough examination of the working procedure, and the following are some of the conclusions I reached as a result of the project's findings:

When a customer goes for purchasing any investment products the major components that they look for is the performance record / past performance, withdrawal facility, tax-benefits etc. in general context.

- I. In the changing circumstances the components like reputation of fund manager are gaining more & more importance.
- II. Attitude towards investment, annual family income & savings are the most important discriminating power regarding the investment decision of a consumer.
- III. Among the investment products Mutual Funds are comparatively easy to sell from the company's view point. As because they are preferred products among the customers. Among the insurances Life Insurances are little tougher to sell. This can be due to many reasons, out of them awareness about the product is a key factor.
- IV. Among the total customer base, a large portion still quite unaware about the financial market, recent changes in the market & also the product characteristics & other technical details.
- V. For the above reasons there is still a high dependence on the sales people or the financial adviser of the financial institution, from the customer's perspective.

Economic statistics such as GDP, inflation rate, unemployment rate, NNP, GNP, Monsoon, Government Policies, and so on influence investment decisions. The study demonstrates how various aspects and investments have varying risk, returns, and tax concerns when making investment decisions and are of various natures. Although it is difficult to draw firm conclusions about how a particular market instrument is performing and how it will perform in the future, the study concludes that certain instruments or products, such as equity or government securities, have performed well in the past and will continue to perform well in the future if strong demand exists.

The general consensus regarding the future of the investing community is that it will

Provide very high returns for fundamentally solid securities and not by any other methods.

The study also concludes that investors are eager to invest in long-term, low-risk products in order to achieve a solid return on their capital. Investors are aware of the factors affecting their short- and long-term investing objectives, and they seek guidance from a variety of specialists, as well as conducting self-analysis. This extensive research will assist investors in determining the best investment for their money. The analysis and interpretations clearly show that investors have varying perspectives on investment patterns by market, factors influencing their decision, frequency of investment, available alternatives, and investment preferences, which all influence their perception of the company's various products and services. As a result of the spiraling growth of Indian GDP, better performance by companies, and liberal rules and regulations by authorities such as SEBI to protect investors' interests, the study concludes that the Indian investment community has shown a lot of interest in investing in various financial products available in the market, and this process will grow much faster in the future.


Just to conclude I must say to reach the no.1 position is a tough task but to maintain that is tougher. As we all know like other sectors in financial market competition is quite fierce so as a leader to maintain the supremacy it should come up with new ideas & effective planning. Flexibility should be maintained in overall working procedure. Strong internal communication procedure is another major component in this regard. I hope that my project work will benefit the business not only in terms of sales volume, but also in terms of accurately judging the customer's thinking in terms of the findings and recommendations presented above. Finally, I believe that this type of market research should be undertaken on a frequent basis, as the market is constantly evolving, and at a rapid speed.

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5.4 ANNEXURE

Study to analyze the Investment pattern of investors on different products & perception towards investment

🔒 alka_2k20dmba15@dtu.ac.in (not shared) [Switch account](#) 

*** Required**

Gender *

Male

Female

Prefer not to say

Other: _____

Education *

Graduate

UnderGraduate

Your Age *

Under 18

18-29

30-39

40-49

50 & above

Your Profession *

- Govt. Employee
- Private Employee
- Professional
- Own Business
- Student

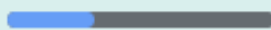
Income Per Annum (In Rupees) *

- Below 5,00,000
- 5,00,000 – 15,00,000
- 15,00,000- 25,00,000
- Above 25,00,000

Percentage of Savings From Annual Income *

- Below 10%
- 10% - 20%
- 20% - 30%
- Above 30%

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Clear form

Study to analyze the Investment Pattern

Page 2

Investment fulfils the needs of family (child education, marriage etc.) *

Yes

No

I invest to take the advantage of tax benefits *

Yes

No

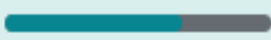
Capital growth is the reason for investment *

Yes

No

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Clear form

Duration of Investment *

- I like up to 2 years investments
- 3 to 8 years investment is good.
- Investment more than 8 years is more profitable

In which type of Investment you would like to Invest *

- Bonds/Debentures
- Equity
- Bank Deposits
- Insurance
- Mutual Funds
- Gold & Real estate
- Other: _____

How much You are aware about Investment *

- I am aware with different investment plans
- I have good knowledge of financial planning
- I measure the risk before the investment.

How much you Invest Per Year *

- Rs.1000 to Rs.20,000
- Rs.20,000 to Rs. 50,000
- 50,000 to & 75,000
- More than 75,000

Frequency of Investment(In One Year) *

- Weekly
- Monthly
- Quarterly
- Half Yearly
- Yearly

Basis Of Investment *

- Self Analysis
- Financial Advice
- Broker Advice
- Friends & Relative Advice
- CA Advice

Does Your Investment Pattern Differ by Market Movement *

- Yes
- No
- Maybe

Your Investment Decision is depending on *

- Risk Involved
- Return They Give
- Past Performance
- Future Growth
- Other Factors

Do you know about ULIPs?

- Yes
- No

Which among the three do you like the most?

- Traditional Insurance
- Term Insurance
- ULIPs

Which Kind of plan, do you generally opt for?

- Maximizer
- Balancer
- protector

Which investment pattern do you like the most?

- Systematic Investment Plan(SIP)
- Lumpsum

Which nature of MF attracts you the most?

- Tax savings
- Higher return
- Both

Which kind of insurance do you like?

- With higher returns- lesser coverage
- With higher coverage-lesser return
- Moderate coverage- moderate return(balance act)