

Major Research Project

An exploration of perception of Gen-Z (young generation) towards different investment opportunities

Submitted By

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CERTIFICATE

This is to certify that Mr. Ujjawal Jain, enrollment number, 2K22/DMBA/140 has submitted his research project titled “An exploration of perception of Gen-Z (young generation) towards different investment opportunities” under the guidance of Mr. Saurabh Aggarwal, for the partial fulfillment of the requirements for the award of Masters’ of Business Administration from Delhi School of Management, Delhi Technological University, New Delhi during the academic year 2023-2024.

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DECLARATION

I hereby declare that this dissertation report submitted to the “Delhi School of Management” is an original work undertaken by me and it is not submitted to any other university or institution for the award of any degree or diploma or published any time before.

Date : 27th May 2024

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EXECUTIVE SUMMARY

Abstract of the Study

This study investigates the perception of Generation Z (Gen-Z), the youngest cohort of investors, towards various investment opportunities. As this generation comes of age and begins to enter the workforce, understanding their attitudes and preferences towards investment is crucial for financial institutions, policymakers, and businesses alike. The research employs a mixed-methods approach, combining qualitative interviews and quantitative surveys to gather insights into Gen-Z's perceptions. The qualitative phase involves in-depth interviews with a diverse sample of Gen-Z individuals to explore their knowledge, attitudes, and behaviors regarding investment opportunities. These interviews delve into topics such as risk tolerance, financial literacy, sources of investment information, and preferred investment vehicles. Subsequently, the quantitative phase utilizes surveys distributed among a larger cohort of Gen-Z respondents to quantify and validate the findings from the qualitative phase. The survey examines factors influencing investment decisions, preferred investment strategies, level of trust in financial institutions, and the role of social and environmental considerations in investment choices. The study aims to provide a comprehensive understanding of how Gen-Z perceives various investment options, including traditional assets like stocks and bonds, as well as emerging opportunities such as cryptocurrencies, impact investing, and robo-advisors. Furthermore, it seeks to identify potential barriers to investment participation among Gen-Z and explore strategies to overcome these barriers. The findings of this research have implications for financial service providers, educators, and policymakers seeking to engage and empower Gen-Z in the realm of personal finance and investment. By gaining insights into the unique perspectives and preferences of this generation, stakeholders can develop tailored strategies to effectively communicate, educate, and support Gen-Z in their journey towards financial independence and wealth accumulation.

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Introduction

Introduction: Understanding Gen-Z's Perceptions of Investment Opportunities

The upliftment of Gen-Z as a challenging vigor is causing a substantial shift in the global financial landscape. This generation, which spans the years 1990 to 2010, has distinctive traits and life experiences that have molded the way they handle funds and investing. Unlike earlier generations, Gen-Z's concerns and goals around money are formed by their own individual experience with the affects of the Recession 2007, increasing economic disproportion, and technological turmoil. In order to better understand Gen-Z's complex investing perceptions, this study will examine their attitudes, preferences, and purposes regarding a range of investment choices.

The Importance of Knowing Generation Z Investors

The Gen-Z generation has mammoth financial potential. By 2030, their combined investable assets are estimated to reach \$33 trillion as they approach their prime earning years. To effectively adjust their strategies and services, financial institutions, governments, and investment professionals must have a systematic understanding of their specific investment backdrop. We can support this generation in creating a financial climate that is more broad and reachable by observing their inclinations, risk tolerance, and preferred access approaches.

In this advanced world of technology, world of finance is also evolving with different financial instruments such as Green Bonds, Cryptocurrencies along with traditional investment opportunities available in the landscape of the personal finance for investors both institutional and retail investors such as Equity stocks and shares, along with bonds, money market instruments, as well as real assets such as gold, copper, silver etc and many more.

Gen-Z refers to the young generation as well the youth of the nation, and this study aims to consolidate their preferences for investment opportunities.

The following factors affect Gen-Z's investment decisions:

The following important variables influence how Gen-Z views investment opportunities:

- **Technology:** Information collection, decision-making, and investment performance are all greatly dependent on technology for Gen Z, the digital populations. They prioritise mobile-first systems and interfaces that are easy to use and spontaneous.
- **Social Impact:** Gen-Z is motivated by social integrity and looks for investments that fit with their values. Their investing decisions are influenced by their prioritizing of environmental sustainability, ethical practices, and favorable social impact.
- **Financial Literacy:** Gen-Z frequently lacks ample financial literacy, despite a developing knowledge of financial matters. This encourages a reliance on reliable resources for information, guidance and recommendation, such as social media influencers on various platforms and financial technology (fintech) platforms.
- **Risk Tolerance:** Gen-Z is cautious about long-term financial stability but is open to riskier, uncertain and dicey options such as cryptocurrencies. They often look for a balance between steady assets and investments and scope for rapid growth.
- **Investment Preferences:** Research indicates that alternate investments such as equities and preference shares, cryptocurrencies, and exchange-traded funds (ETFs) are gaining attractiveness. The easiness and suitability of investing platforms that provide fractional shares and micro investing opportunities appeals to Gen-Z as well.

Goals of the Research:

The following important questions are the focus of this study:

- What are the major elements of Gen-Z's investment selections?
- What differences do they see between other investing asset classes (bonds, equities, cryptocurrencies, etc.)?
- Which informational and investment channels appeal to these young generation the most?
- What hindrances do individuals come across while making investments, and is there a way to overcome those?
- Which future trends will most likely impact Gen-Z's investing preferences?

Objectives of the Research:

1. The main factors influencing Gen-Z's investment decisions:

- Financial objectives: Knowledge of Gen-Z's investing ambitions will help determine their risk appetite, time horizon for investments, and preferred asset classes.
- Financial literacy: The prerequisite for resources and educational programmes tailored to the unique demands of Generation Z will be determined by assessing their degree of comfort and proficiency with fund.
- Social impact: Gen-Z's dispositions for sustainable and impact-driven resolutions can be determined by evaluating the importance they attach to ethical and socially responsible investment activities.

- Technological influence: An investigation of how technology effects Gen-Z investors' preferences will emphasise the significance of smartphones and smart gadgets accessibility, user-friendly platforms, and other online resources.
- Social media influence: Exploring how financial systems and social media influencers affect Gen-Z investors' decisions will reveal more about their different vast sources of knowledge and degree of trust.

2. Equivalent Views of Investing Alternatives:

- General Equities: General equity such as equity shares, preference shares issued by the public companies in the swiftly evolving dynamic stock market, and its understanding of the young generation in consideration of their capacity to tolerate risk for their preferred stocks as well as their vision through their preferable investment approaches for long term such as investment on growth stocks or value stocks.
- Bonds: Bonds are one the popular asset under fixed income class assets. The decision for investing in bonds can be dependent on major factors such as time horizon, and its risk and return comparing with other assets.
- Nowadays, in this era, with the help of technology advancement even in the field of finance, newer assets have emerged such as cryptocurrencies that attracts young people but the major consideration would be its volatile nature and the different channels that have formed and developed for dealing with this asset type for short term trading as well as from the perspective of long term investment.
- Alternate investments: Investigating and exploring the common perception of Gen-Z regarding different alternate asset group currently available in the market such as ETFs comparing to conventional and traditional options.

3. Preferred Information resources and research methods:

- Several social media channels: Evaluating the impact of social media sites such as Instagram, google news, twitter, facebook etc. that provides financial news and information affect the investment decision.
- Fin-tech web applications: Discovering the behaviour of Gen-z generation towards fin-tech web applications and sites and their usage by Gen-z to trajectory their investment portfolios, as well as to get insights and regular information and updates regarding the economic condition, industry condition, market position etc.
- Traditional financial organizations: Assessing Gen-Z's trust and confidence towards the conventional and traditional financial bodies. For example, such as investment consultants, banks (Indian banking system) as well as boutique investment banks, and others for consultation and information such as data, facts and figures supported that might impact the investment decision.
- Internet and Web media and resources: Studying the research done by the Gen-z before any investment, several sources used by them in this digital era such as reading financial and economic blogs, as well as different new methods such as learning through courses, classes regarding the same.

4. Problems that Gen-Z might face as Investors:

- Firstly, there can be gaps that needs to identify in terms of the financial knowledge possessed by the Gen-z that can affect adversely their decision making when it comes to investment decisions.
- Investment fees and commissions: There could be the severe impact of fees and commission and other expenses associated with their investment preferences that can affect their decision making as well.

- **Excess Information Available:** Access to extreme information from various different diverse resources can impact their decision making or even may confuse them that end up impact their trust level.
- **Cyber Threats:** Cybersecurity and related concerns can be an integral issue while dealing with web related, internet based internet options
- **Complications for new age, next gen investors** can be there during investment such as age limit, minimum amount threshold for investment could be some some restrictions on different platforms.

5. Upcoming Patterns Changing Gen-Z's Investing Environment:

- **AI-backed investment:** Figuring out how Gen-Z's personal expectations can be cater through personalized suggestions using various algorithms.
- **Defining the probable effects of decentralised finance (DeFi) and blockchain technology** on Gen-Z and their investing practices and their need for organized, convenient, accessible reputed financial firms.
- **Inclination towards sustainable investment to contribute towards climate change:** Gen-Z's interest in sustainable investing such as green bonds could impact the selection varieties to allocate their abundant funds in different assets.
- **The impact of dynamic environment:** Evaluating the changes in the changing world scenario that might encourage towards the research to develop new products and platforms that will build to satisfy Gen-Z so to accommodate and adaptable for them for their digital lifestyle, considering their well-being as well.
- **The ever-evolving regulatory framework:** Forecasting the potential consequences of amendments in regulatory frameworks such as policies that can impact the availability of assets classes among young investors. There is a need for safeguard their interest as well.

Through indepth focusing on such detailed research study objectives, we can get the insights around diverse investment space for Generation Z. Along with such information, a more convenient and feasible financial environment can be build, that focus on empowering this generation to help to achieve their financial goals for their sustainable future.

Problem Statement:

Even while Gen-Z has a huge amount of financial potential, little is known about their specific investing demands and preferences. It is difficult for financial institutions, legislators, and investment professionals to successfully engage with this generation and encourage their participation in the financial system because of their lack of understanding.

Unique concerns consist of:

- There is little data on the investment motivations, risk tolerance, and preferred investment options of Generation Z. The majority of the data that is currently available focuses on other demographic groups, which makes it difficult to determine how to effectively cater to Gen-Z investors.
- Disparity between Gen-Z's appetite for digital first and traditional financial offerings: The mobile-first behaviours and reliance on social media and online resources of Generation Z may render traditional investment platforms and information sources inadequate.
- Gen-Z lacks in financial knowledge and literacy: Major population of Gen-Z has absence of financial literacy and fundamental acumen required to make prudent investing decision, which can result in potential harm financially (losses), socially as well as mentally to them.

- Problems to entrance and issues with accessibility: Earlier discussed as well, one could be the minimum threshold required in terms of investments, complex financial jargon and terminologies, and limited accessibility of dependable advisors, counsellors, all these conditions may discourage Generation Z from engaging with the investment activities in current landscape.

These difficulties call for an extensive investigation that covers the following:

- Discover the main determinants of Gen-Z's investing choices, such as their goals, values, and risk tolerance.
- Examine how they view various investing opportunities, including equities, bonds, cryptocurrency, and alternative investments.
- Ascertain the different platforms through they gain information, and use for executing their investment plans which could be relevant and useful to them or could be not such as several fintech apps, social media(pages, channels, advertisements), and traditional institutions, financial influencers nowadays on streaming platforms on social media.
- Ascertain the challenges faced by this new age investor such as fees, commissions, related to trading and investing or membership and maintenance fee for demat account or even for opening an account.
- Figuring out whether emerging and developing trends—like through using and leveraging AI-backed data, facts, figures that can significantly impact Gen-Z investors' surroundings, thought process and decision making.

This research study aims to cover the gap of knowledge through providing meaningful information required by the young generation to tackle the mentioned issues. This will also focus on the need for developing customized financial investment products and services, relevant educational content, legal laws and frameworks that will direct and allow the population of Gen-Z to achieve this financial goals simultaneously build more stable financial system.

Literature Review

Introduction

Gen-Z accommodate the mounting percentage of the future of the industry, it is crucial to understand their behavioral pattern towards investment. This study of the literature try to made an attempt to find the main body of research i.e., Gen-Z's investing perceptions, their preferences, challenges, alongside highlighting major findings and locating the areas which requires scope of improvement, currently under shadow.

1. Some Characteristics of Generation Z:

- Here, Gen-Z refers to those individuals who rose in the digital era, majorly born between the time horizons of starting with 1990 till 2010.
- Their reliance on technology, equipped with tech savvy gadgets, having active presence on social media channels, and concern about sustainability and social impact, and wants to bring a societal change describe and express them.
- They have faced economic turmoil, and are more cautious than previous generations.

2. Investment Preferences:

- Various studies demonstrated that the common interest in various new variety of investments options and opportunities present and are on trend such as cryptocurrencies, and NFTs (Non- Fungible Tokens) is on the boost.
- This generation looks for ease of access and user-friendliness above everything else, favoring digital platforms those which have user-friendly interfaces.

- Investments options that connects with their values—such as social responsibility and environmental sustainability ofcourse with short term as well as long term financial gain—draws their attraction.

3. Informational Sources:

- For Gen-Z, social media sites like Youtube, Instagram, and many others have emerged as important resources for financial knowledge.
- Financial education, portfolio tracking, and investment management are among the growing uses of fintech applications.
- Although Gen-Z still has faith in traditional financial institutions, they are increasingly turning to other information sources.

4. Obstacles & Difficulties:

- Inadequate financial literacy can cause investing errors and impede the ability to make well-informed decisions.
- Traditional investment platforms' fees and commissions have the potential to turn off Gen-Z investors.
- Confusion and excess of information can result from a variety of sources.
- To foster trust, cybersecurity issues pertaining to online investments must be addressed.

5. Prospective Patterns:

- Gen-Z's demand for ease and personalisation is met by the growth of robo-advisors and AI-powered investment.
- Blockchain technology and decentralised finance (DeFi) provide transparency and new investment options.
- Gen-Z is becoming more and more interested in sustainable investing, which is raising demand for ESG-focused products.
- Platforms and investment possibilities catered to Gen-Z's digital lifestyle may emerge from the metaverse.

Gaps in Current Research:

- There is little data comparing Gen-Z's investment preferences to those of previous generations.
- There are few comprehensive research examining Gen-Z's risk tolerance and motivations.
- More research is needed to determine how social media influencers affect Gen-Z's investment choices.
- Insufficient research has been done till now so far on Gen-Z's that is an emerging market in terms of their investment behavior and pattern.

Even if the current body of research offers insightful information about Gen-Z's investing environment, there are still large gaps. More research is required to comprehend their particular requirements and preferences, deal with their issues, and create workable plans for integrating them into the financial system. We can enable

Gen-Z to make wise investing decisions and contribute to a more equitable and sustainable financial future by filling in these knowledge gaps.

Even if this research explores insightful findings and draw meaningful conclusion, then also there will be still huge gaps that needs to be discover further. More extensive, in-depth research is essential to grasp their requirements and investments related preferences, that needs to work upon further on their issues, and form strategies towards incorporating this population into the financial system. This research can facilitate Gen-Z to take more precise and concise investment decisions for their better future.

Key References:

- Weinbrenner, L. (2023). Impact investment intentions of generation z: Exploring the factors that drive young private investors to decide. Universitat de Barcelona, explored the factors driving young private investors (Gen Z) towards impact investing. This study highlights Gen Z's interest in socially responsible investing, where financial returns are considered alongside social and environmental benefits. It strengthens the notion that Gen Z prioritizes non-financial factors when making investment decisions.
- Fuchs, C., & Schreier, M. (2020). Investing in the age of millennials and gen-z: A comparative analysis. NLDIMSR Innovision Journal of Management Research, 7(4). It investigates how Millennials and Gen Z invest their money. The authors likely compare factors influencing their investment decisions, the types of investments they choose, and their overall risk tolerance.
- Dörfler, V., & Lechner, C. (2020). Generation z an exploration of their unique values driving brand affinity. Journal of Business Research, 119, 582-592. It investigated the unique values that shape Gen Z's preferences for certain brands. While their focus wasn't directly on investment choices, the study offers valuable peripheral insights. By understanding Gen Z's values, we can make connections to their potential investment behavior. The study likely explores the characteristics Gen Z prioritizes in brands, such as social responsibility or environmental consciousness. This can be used to infer how these values might translate into their investment decisions. For

example, Gen Z's focus on sustainability might lead them to favor companies or investment options that prioritize environmental factors.

- Akhtar, N., & Chaudhary, N. (2022). Exploring the perceptions of generations x, y and z about online platforms and digital marketing activities – a focus-group discussion based study. It examines online behavior across Gen X, Y, and Z.
- Shaukat, A., & Rasheed, A. (2017). Investment awareness among young generation. *International Journal of Research in Economics and Social Sciences*, 7(11), 33-41.

Additional Resources:

- World Economic Forum. (2020). The Future of Jobs Report 2020. https://www3.weforum.org/docs/WEF_Future_of_Jobs_2020.pdf
- Pew Research Center. (2019). Generational Differences in Technology Use. <https://www.pewresearch.org/internet/fact-sheet/internet-broadband/>
- Forbes. (2022). Gen Z Investment Trends: What You Need to Know. <https://www.fool.com/research/what-are-gen-z-millennial-investors-buying/>

To initiate further research study to encapsulate Gen-Z and their financial potential, the review of this literature would be a best add-on to the study. A thorough understanding would certainly help us in the findings and contributes towards to create a more inclusive society by expanding on current knowledge and filling in the gaps.

Research Methodology

The purpose of this study is to investigate how the younger generation, or Gen-Z, views various investment prospects. A mixed-methods strategy will be used to collect data, combining quantitative and qualitative techniques, in order to accomplish this.

1. Design of Research:

- **Quantitative:** Data collected through cross-sectional survey from a representative sample of Gen-Z population. Crucial factors to the study such as their investment awareness, ability to take risk i.e., risk tolerance, preferable investment options that they would like to consider, sources of information, and their concerns regarding investments all tried to be measured through this survey.
- **Qualitative:** To deep dive into in-depth study to cover qualitative factors such as regarding participants' motivation, their previous experiences if any, and also capture their thinking process while making decisions regarding investments, semi-structured interviews was conducted with respondents.

2. Sample and Population:

The demographics consists Gen-Z respondents aged between 18 and 30 (18-30, 18 to 30) who live in different geographic area in the Delhi as well as in other states.

- **Survey Sampling Method:** To ensure a true representative sample of the targeted population, under probability sampling, quota and stratified sampling has been used to collect data inputs for the study.
- **Size of Sample:** The sample size of 100 respondents has been used for the study.

3. Tools for Gathering Data:

- Online survey: To collect and gather the quantitative data related to diverse aspects of Gen-Z's attitudes such as financial goals risk tolerance; ability to take risk, preferred investment portfolio, familiarity with different asset classes etc.
- Interviews as a method: To collect and gather the qualitative data related to different aspects of Gen-Z's attitudes and preferences such as their concerns about investing, preferred sources to learn more about investing that influenced their investment decision, considerable factors such as their interest, resources they would like to use to get themselves updated. A semi structured interview has been conducted with the participants of the research.
- Pilot Test: Before collecting authentic and actual data, both the methods i.e., online survey as well as semi-structured interview process went under pilot testing to test and ensure the validity and reliability of the methods.

4. Analysis of Data:

- a. Quantitative data: The data collected through online surveys analyzed by using descriptive statistics such as frequency tables. Moreover, inferential statistics (such as Regression Analysis) were used during the research study to find linear relationship between independent and dependent variables.
- b. Qualitative data: To find reoccurring themes and patterns in the participant responses, a thematic analysis will be performed on the interview transcripts. Deeper understanding of their reasons, backgrounds, and decision-making procedures will result from this.
- c. Data triangulation: To guarantee the accuracy and dependability of the results, both quantitative and qualitative data will be gathered from multiple sources.

Linear Regression has been used to analyze the data between following independent and dependent variables:-

1. Risk Tolerance as the dependent variable following by Learning Method as the independent variable.

2. Risk Tolerance as the dependent variable followed by interest of the respondents as the independent variable.

3. Risk Tolerance as the dependent variable on the independent variable such as Age factor of the respondents.

4. Interest of the respondents as the dependent variable on the independent variable like Age.

5. Social implications:

- Prior to the collection of data, informed consent will be obtained from each participant.
- Information about participants will be kept private and anonymous.
- Prior to beginning the research, ethical permission will be sought from the appropriate institutional review board.

6. Expected Results:

It is expected that this study will shed important light on the following:

- Important variables affecting Gen-Z's financial choices
- Disparities in how they view different investing possibilities
- Their favoured channels for investing and information
- Obstacles they encounter when investing and possible fixes
- Prospective patterns that will influence Gen-Z's investing environment

7. Limitations:

There are several constraints on this research, such as:

- Survey responses that are self-reported could be biased.
- It's possible that the sample doesn't accurately reflect the whole Gen-Z population.
- The study's precise geographic setting may be the only place where the research findings are applicable.

The tools have been used for the analysis of the data collected by the survey questionnaire forms are such as a software programme called IBM SPSS Statistics, or SPSS (Statistical Package for the Social Sciences), is used to analyse statistical data as well as PSPP, to analyze similar data forms and structures.

Techniques such as Descriptive Statistics, Linear Regression Analysis, Chi-square have been used to analyze the collected data.

Under Descriptive statistics, frequency table have been used to analyze the frequency of the options mentioned in the survey forms.

Case Study

Introduction

Born between the middle of the 1990s and the beginning of the 2010s, into a digital revolution environment and overcoming through unparalleled social and economic hurdles Gen-Z is a sizable demographic group with expanding economic power. It is vital that financial organisations, such as banks and insurance firms, law and policy makers, and investment professionals comprehend their distinct viewpoints and inclinations regarding investment prospects. There is less information available on Gen-Z's various investment goals, risk tolerance, and favoured asset classes, despite their potential financial freedom. Due to this lack of knowledge, it is challenging to build concentrated financial services and products, training programmes, and regulatory structures that will enable this generation to achieve their financial objectives.

The economic landscape is changing swiftly, and Gen-Z has particular difficulties figuring out how to navigate this complex ecosystem. For their long-term financial security, early access to financial education and customised investing options are essential. We can close the knowledge gap now taking in place and provide them the tools they need to become more participative and knowledgeable investors of the financial ecosystem by learning more about their perspectives and interests. In addition to helping specific Gen-Z individuals, this will also contribute to the future prosperity and stability of the economy as a whole.

This study aims to find out the common perception among the Gen- Z (young generation). It revolves around current different diverse investment opportunities available to them from the angle of long term future profitability for their future so to make themselves economically stabilized and independent as well as to cope situations such as rising inflation etc. This study also measures their interests, choices and preferences in the different asset classes' options available in the market in the current scenario.

Data Collection – Sources and Approach

Data Sources

Sources have been used to capture both quantitative as well as qualitative data through various sources.

1. Online Surveys : A structured form questionnaire was prepared to collect the data on different parameters and circulated to collect 100 responses from respondents from different and diverse backgrounds, having their thought processes to cover the Gen-Z's perception over investment opportunities that includes age factor, familiarity with the different investment options available in the financial landscape, risk tolerance, preferred investment securities, sources of information, concerns for the investment plans etc. The survey was carried out through online forms containing both close-ended and open-ended questions combined.

2. Facts and Figures : Financial facts and figures that are available in the public domain publically for the general users have been studied to get insights about their investment patterns, common practices while fund allocation towards different assets class through several previously published research reports, articles, collectively from different financial institutions.

3. Semi-Structured Interviews : Semi-structured interviews from the close family and friends from the required age group have been conducted to gain deeper knowledge regarding their motivation, different and diverse previous experiences, as well as regarding their decision-making processes around to strategic investments.

4. Focus Groups : Focused Groups of Gen-Z has formed for the discussions to explore the collective common perception related to investments.

Sampling Approach

1. Probability Sampling : Probability Sampling has been used for the research study work and under probability sampling, stratified random sampling was used to ensure that the sample is the accurate representation of the population i.e., Gen-Z young individuals.

2. Quota Sampling : This was used to ensure that correct sample in context of demographics such as age.

3. Snowball Sampling : It was also used during the research study to onboard participants to the survey form through the network of Gen-z population for in-depth study.

Data Quality and Control

1. Pilot Testing : This has been done in the initial phase of the data collection process with small group of Gen-z individuals to find any inconsistency.

2. Data Cleaning : Data cleaning has been done to identify the missing values, outliers.

3. Coding : Required coding has been done while analysis the data through software such as SPSS to ensure reliability and accuracy of the collected data.

Control Ethical Considerations

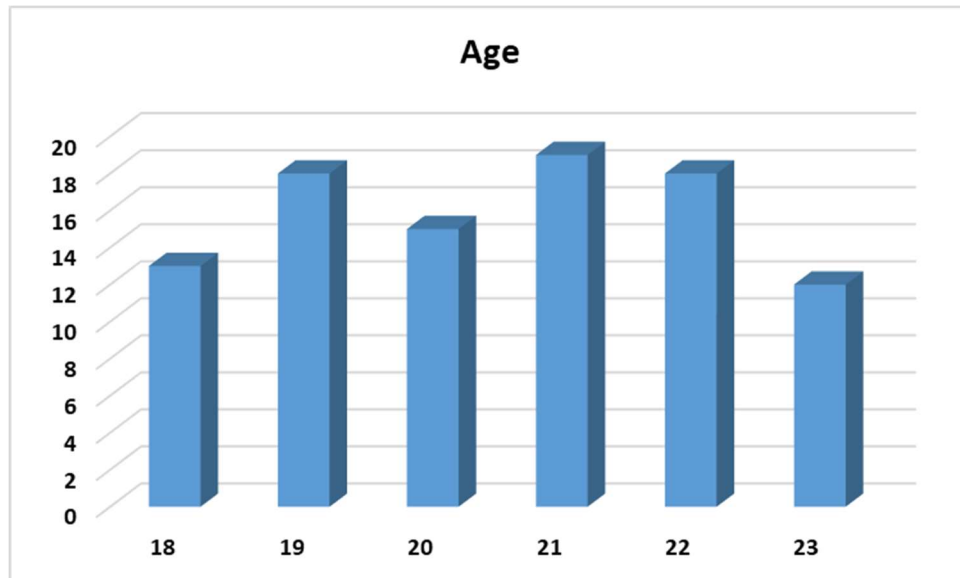
- The consent was taken from all the participants before collecting the data.
- The anonymity and confidentiality was ensured to all the participants.

Data Analysis

1. Descriptive Analysis

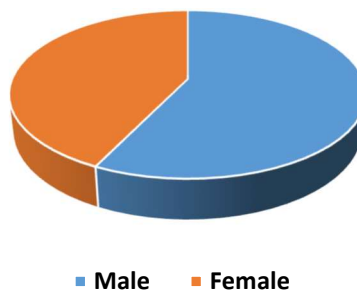
Demographics

- Age



There are 13 respondents who are at the age of 18 similarly following by 18 respondents of age 19, 15 respondents aged 20, 19 respondents aged 21, 18 respondents aged 22 and 12 respondents aged 23.

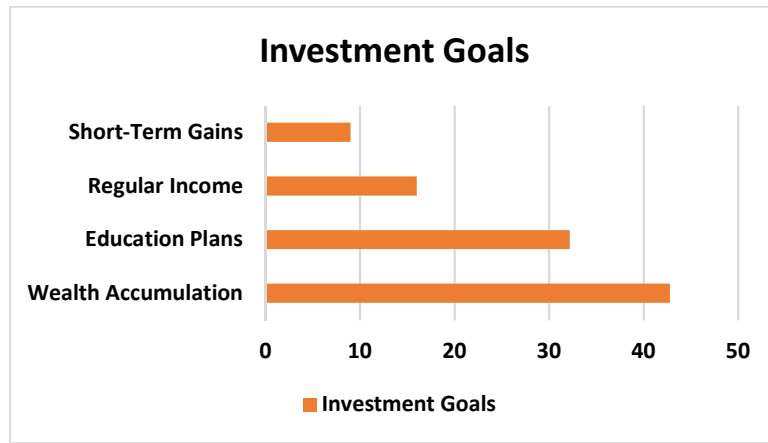
- Gender



A blend of both gender has been taken out of data of 100 respondents, out of which 58 percent were male respondents and 42 percent are female respondents.

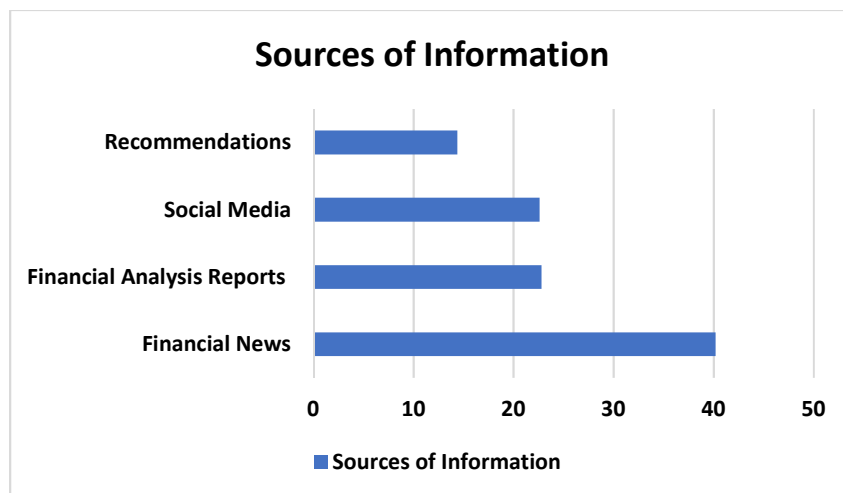
Investment Behavior

a. Investment Goals



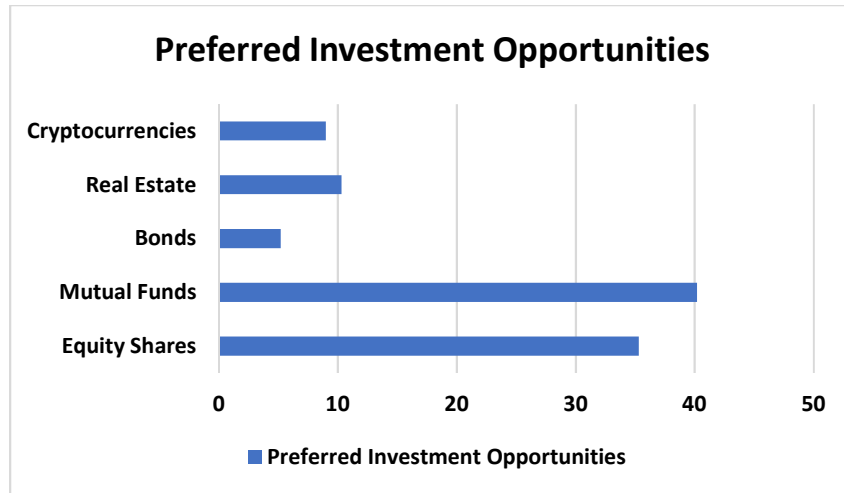
Wealth Accumulation is the primary goal for the young Gen-Z generation while investing those accounts for 52%, following by their education plans i.e., 32%, this can include ambitions to pursue higher education, abroad education plans and regular income was accounts for 16 percent. A portion of Gen-Z investors is also interested in short-term trading opportunities to quickly capitalize on market movements.

b. Source of gathering information



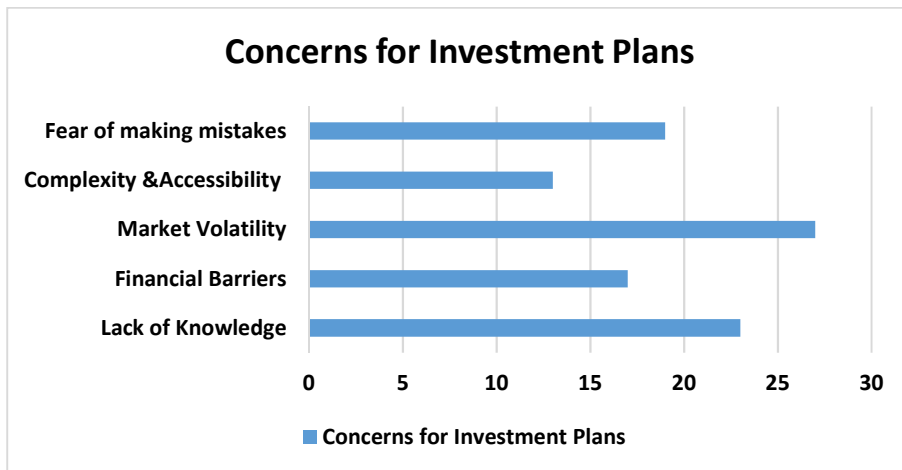
Financial news is the major preferred source of information for Gen-Z's respondents that accounts for 40%, following by reports by financial analysts and social media, approximately 22% each and recommendations by peers, friends, family nearly 16%.

c. Preferred Investment Avenues and Options



Mutual Funds and Equity shares are most preferred choice and option for investment among the available to them followed by real estate, cryptocurrencies and least preferred are Bonds.

D. Challenges and Concerns



Gen-Z as investors have their concerns regarding their investment plans such as their fear of losing money, complexity in accessible financial products available in the market, market volatility, limited funds i.e., disposable income and lack of proper financial knowledge and understanding.

Following factors has been analyzed using frequency tables :

a. Familiarity with different investment opportunities available to the Gen-Z in current landscape.

Familiarity (1-5)

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Not familiar at all	28	28.0	28.0	28.0
	Slightly familiar	33	33.0	33.0	61.0
	Moderately familiar	18	18.0	18.0	79.0
	Very familiar	21	21.0	21.0	100.0
	Total	100	100.0	100.0	

Source : SPSS

Interpretation:

This shows that Gen-Z i.e, 33% of the youths thinks they have less information and only 18% familiar with all the asset classes and different investment opportunities present in current landscape in the current scenario. They have the general information required regarding the various investment options.

b. Interest towards investment for future

Interest (1-5)

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Not interested at all	8	8.0	8.0	8.0
	Slightly interested	17	17.0	17.0	25.0
	Moderately interested	25	25.0	25.0	50.0
	Very interested	26	26.0	26.0	76.0
	Extremely interested	24	24.0	24.0	100.0
	Total	100	100.0	100.0	

Interpretation:

This shows many of the respondents out of all the 100 respondents are interested towards investments as well as to know different asset class and to invest for the profitable returns.

c. Risk Tolerance

Risk Tolerance (1-5)

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Not comfortable with any risk	2	2.0	2.0	2.0
	Slightly comfortable	18	18.0	18.0	20.0
	Moderately comfortable	34	34.0	34.0	54.0
	Quite comfortable	43	43.0	43.0	97.0
	Extremely comfortable with taking risks	3	3.0	3.0	100.0
	Total	100	100.0	100.0	

Interpretation:

This shows the majorly young responders are risk seekers than risk averse, that show the common positive interest towards different investments opportunities.

2. Regression Analysis

a. Relationship between Age of the respondents as independent variable and their interest towards investment.

H₀ : There is no significant impact of the age of the responders on their interest towards the investment.

H_a: There is a significant impact of age of the responders on their interest towards investment.

Model		Unstandardized Beta	Coefficients Std. Error	Coefficients	t	Sig.
				Standardized Coefficients Beta		
1	(Constant)	3.284	1.468		2.238	<.001
	Age	0.006	0.072	0.009	0.086	0.028
a. Dependent Variable: Interest (1-5)						

Findings:

As significant value is 0.028 ($p < 0.05$), and there is a significant positive relationship between both factors as we can interpret that as the age increase, the interest for the investment opportunities also increases with this. Therefore, alternate hypothesis is accepted.

b. Relationship between age of the Gen-Z towards investments and their capacity of risk tolerance.

H₀: There is no significant impact of Age on the risk tolerance capacity of Gen-Z

H_a: There is a significant impact of age on the risk tolerance capacity of Gen-Z.

Model		Unstandardized Beta	Coefficients Std. Error	Coefficients	t	Sig.
				Standardized Coefficients Beta		
1	(Constant)	19.062	0.681		28.003	<.001
	Risk Tolerance (1-5)	0.385	0.201	0.190	1.911	0.032
a. Dependent Variable: Age						

Findings:

Here, significant value found is 0.032 ($p < 0.05$) and there is a significant positive relationship between both factors, as age increases, the risk tolerance capacity also increases. Gen-Z tends to have higher risk tolerance, would like to take high risk by investing in more risky assets. Therefore, alternate hypothesis is accepted.

c. Relationship between interests of Gen-Z for different investment opportunities and their risk-tolerance.

H₀: There is no significant impact of interest of Gen-Z on their capacity of risk tolerance.

H_a: There is a significant impact of interest of Gen-Z on their capacity of risk tolerance.

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	1.989	.213		9.347	<.001
	Interest (1-5)	.376	.059	.543	6.408	<.001
a. Dependent Variable: Risk Tolerance (1-5)						

Findings:

As significant value is $<.001$ ($p<0.05$), and there is a significant impact of Gen-z's interest on their capability to take risk. This conclude that Gen-z investors those are more interested in different investment opportunities tends to have higher risk tolerant behavior and perception than those who are less interested in investment options. Therefore, alternate hypothesis is accepted.

d. Relationship between learning of Gen-Z for different investment opportunities and their risk-tolerance.

H0: There is no significant impact of learning of Gen-Z on their capacity of risk tolerance.

Ha: There is a significant impact of learning of Gen-Z on their capacity of risk tolerance.

Model		Unstandardized Beta	Coefficients Std. Error	Coefficients Standardized Coefficients Beta	t	Sig.
1	(Constant)	3.82	0.270		14.163	<.001
	Learning Method (1-4)	0.206	0.096	0.212	2.148	0.032
a. Dependent Variable: Risk Tolerance (1-5)						

Findings:

As significant value is 0.032 ($p<0.05$), and there is a significant positive relationship between risk tolerance and learning of Gen-z. Gen-Z investors who learn about different and diverse investment opportunities tends to have higher risk tolerance comparatively to those who don't. Therefore, alternate hypothesis is accepted.

3. Chi-square Test

To test the impact of age of the respondents on the diverse investment opportunities they want to invest in.

H0: There is a significant impact of the age of the respondents on their choice of investment option they want to choose/opt for.

Ha: There is not a significant impact of the age of the respondents on their choice of investment option they want to choose/opt for.

Age * Investment Portfolio Crosstabulation

Count	Age	Investment Portfolio								Total
		Mutual Funds	Bonds	Cash	Cryptocurrencies	Mutual Funds	None	Real Estate	Stock & ETFs	
	17	0	0	2	0	0	0	0	3	5
	18	0	2	2	0	1	0	0	8	13
	19	0	1	5	0	5	0	2	5	18
	20	1	0	2	0	1	3	3	5	15
	21	0	0	4	2	7	1	2	3	19
	22	0	3	5	2	6	1	1	0	18
	23	0	1	2	0	4	1	2	2	12
	Total	1	7	22	4	24	6	10	26	100

Chi-Square Tests

	Value	df	Asymptotic Significance (2-sided)
Pearson Chi-Square	54.366 ^a	42	.096
Likelihood Ratio	61.641	42	.026
N of Valid Cases	100		

a. 56 cells (100.0%) have expected count less than 5. The minimum expected count is .05.

Findings:

There are a very small number of investors in the 17-year-old age group. This is likely because not many 17-year-olds have the disposable income to invest. Younger investors (ages 17-23) are more likely to invest in cryptocurrency and cash compared to older investors.

Investors between the ages of 24 and above are more likely to invest in mutual funds, stocks & ETFs, and real estate. Overall, the most popular investment choice among all age groups is mutual funds.

Limitations of the study

Following are the limitations of the study while studying various factors revolves around the Gen-Z and their perception towards different investment opportunities.

1. **Sample Size** : The sample size of 100 respondents has been taken, which might not be large enough to be as a representative of the whole Gen-Z generation population. A large sample would be more suitable and generate more accurate, reliable and validate results.
2. **Age** : This study majorly focused on the age group from 17-23, this particular age bracket may not capture the essence of the perceptions and beliefs of older age group let's say 25-30.
3. **Limited Variables** : Other variables as well such as income, education level, family background of the respondents that could make an impact on the results of study not included in the study.
4. **Self-Administered Data** : Mostly data has been collected through questionnaire and survey forms, which could introduce biasness in the data and can make data inaccurate could impact the result and findings of the study.
5. **Cross-Sectional Research of Design** : Due to time constraint, data has been collected at single point of time with taken into consideration of cause and effect relationship among variables which could be measured through causal research design. Longitudinal research design would also be conducted to cover cause and effect relationship between variables.

6. Major Focus on Gen-Z : The findings of the study could give biased results because study is not covering older generations, limited demographics has been used.

7. Limited Investment assets classes : Limited assets options as the investment has been chosen for the research study that might produce biased results.

8. Selection Biasness : Selection biasness could be there while choosing and selecting the participants for the survey to collect data for the study. The selected sample might lack the knowledge of finance.

Conclusion

This detailed and comprehensive narrative that encapsulates the essence of the study on the different assets classes as well as the perception of the Gen-Z i.e., younger generation about diverse investment opportunities in different asset classes such as stocks, bonds, mutual funds, ETFs, real estate, even cryptocurrencies as well. I have collected data to get information about the common perception of youngsters about investments options, also collected data such as their age group, their investment choice, attitude towards risk to capture the behavior whether Gen-Z's attitude towards different investment and assets classed including traditional such as stocks, bonds, mutual funds to new-age assets such as cryptocurrencies as well.

Embarking on a comprehensive exploration of the perception of Gen-Z towards various investment opportunities, the data was collected on several variables such as demographics age, gender, familiarity with different asset classes, the interest of Gen-Z towards the investment capturing the essence and their ideas and beliefs, also data was collected such as interest of Gen-Z among presently available investment options in diverse assets. The questions were asked for the investment portfolio as well that includes different assets, to capture the idea towards their preferable assets class for longer term investment.

Financial institutions and companies needs to identify and critical assess the needs and requirements of the Gen-Z, and offers a tailored financial products and services to them. Some of the issue they should address while offering them financial products and services are such as accessibility issues, where high entry costs and complexity are barriers, but platforms can offers fractional ownership or lower minimum investments are making these more accessible, fees and commissions are other prominent challenge for Gen-Z, such as trading fees while many platforms offer zero-commission trades, hidden fees and spreads can still impact overall costs. Similarly account fees or membership and maintenance fees for brokerage accounts, demat accounts, and other financial products are barrier for them, as Gen-Z holds very limited disposable income and high debt levels (e.g., student loans) restrict their investment capacity which arise complexity accessibility complex investment products even some student loan burdensome debt hinder their ability to save and

invest. Many Gen-Z individuals feel they lack sufficient knowledge about investing even lacks basic investment knowledge and financial education making them vulnerable to scams and risky decisions. The complexity of some investment products can be intimidating. Overcoming this requires accessible educational resources and financial literacy programs. So, there is a need of strategize financial literacy programmes to ensure and promote sufficient financial literacy among Gen-Z. Also, simplified investment platforms and clear, jargon-free information can make investing more approachable.

Additionally, in this digital era, navigating the plethora of information sources is overwhelming for them. Their focus should be on credible resources and diversify information channels. Gen-Z looks for investment platforms that offer personalized recommendations and the ability to customize their investment portfolios according to their preferences and values. Low-cost index funds, ETFs, and commission-free trading platforms are favored by Gen-Z. They prefer investment options that minimize fees and barriers to entry.

Zero-commission trades, educational resources, and easy account setup are key features that attract Gen-Z. Nowadays in India, trading and brokerage companies developing apps with simple user-interface to use such as Zerodha builds Kite, Console, also platforms like Groww, Upstox have charged negligible transaction fees from its users. Also, these platforms uses social media platforms such as youtube and other short video streams platforms to educate Gen-Z and broaden their investment knowledge horizon posts with simplify complex financial concepts that are particularly effective.

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