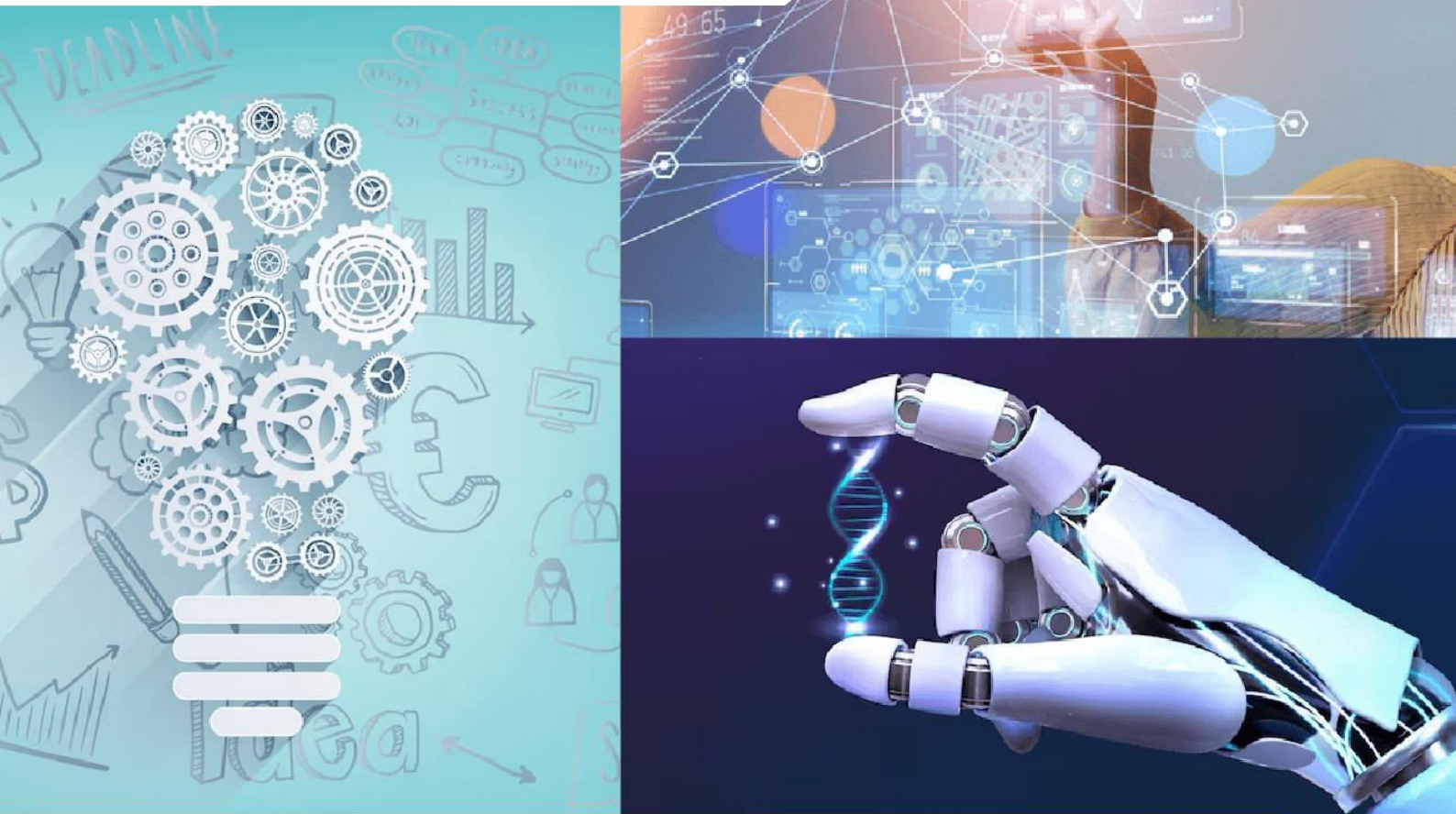




International Journal of Advanced Research in Education and Technology (IJARETY)

Volume 13, Issue 2, March - April 2026

Impact Factor: 8.152



INTERNATIONAL
STANDARD
SERIAL
NUMBER
INDIA



A Study on Factors Influencing the Choice of Individual Interest in Investment Portfolio

Srirammoorthi D, Dr. V. Sandhya

Final Year Student (Full time), Department of MBA ,PG & School of Management Studies, Sathyabama Institute of Science and Technology, Chennai, Tamil Nadu, India

Assistant Professor, School of Management Studies, Sathyabama Institute of Science and Technology, Chennai, Tamil Nadu, India

ABSTRACT: Investment has become an essential part of financial planning in the modern world. Individuals invest their money with the aim of earning returns, building wealth, and achieving long-term financial goals. With the increasing availability of various financial instruments such as equities, mutual funds, fixed deposits, and bonds, investors have multiple options to choose from. However, selecting the right investment option is not always simple. Investment decisions are influenced by several factors including personal income, risk-taking ability, financial awareness, and market conditions. In recent years, the growth of digital platforms and easy access to financial information have encouraged more individuals to participate in investment activities. This study focuses on examining the investment behavior of individual investors in Chennai. It attempts to understand how different factors influence their choices and how they approach investment decisions in a changing financial environment.

KEYWORDS: Investment behavior, investment portfolio, risk and return, financial literacy, demographic factors, mutual funds.

I. INTRODUCTION

Investment has become an essential part of financial planning in the modern world. Individuals invest their money with the aim of earning returns, building wealth, and achieving long-term financial goals. With the increasing availability of various financial instruments such as equities, mutual funds, fixed deposits, and bonds, investors have multiple options to choose from. However, selecting the right investment option is not always simple. Investment decisions are influenced by several factors including personal income, risk-taking ability, financial awareness, and market conditions. In recent years, the growth of digital platforms and easy access to financial information have encouraged more individuals to participate in investment activities. This study focuses on examining the investment behaviour of individual investors in Chennai. It attempts to understand how different factors influence their choices and how they approach investment decisions in a changing financial environment.

OBJECTIVES OF THE STUDY

- To identify the major factors influencing investment decisions
- To analyze the preferred investment options among respondents

II. REVIEW OF LITERATURE

Technological Influence (Arora & Kaur, 2018)

- Technology has made investment easier and more accessible
- Online trading platforms and mobile apps increased investor participation
- Real-time information helps investors make quick decisions

Role of Financial Advisors (Gennaioli, Shleifer & Vishny, 2015)

- Gennaioli, Shleifer, and Vishny (2015) studied the importance of financial advisors
- Advisors influence investor decisions through guidance and trust
- Investors depend on advisors due to lack of financial knowledge
- Trust plays a major role in advisor-based decisions

Demographic Factors (Sultana, Chandra & Kumar, 2011)

- Age, income, education, and occupation influence investment behavior

- Younger investors prefer high-risk investments like stocks
- Older investors prefer safe investments like fixed deposits
- Income level affects the type and amount of investment

III. RESEARCH METHODOLOGY

This study adopts a descriptive research design. Convenience sampling is adopted in this study. Both primary data and secondary data are applied to the study. The size of the sample to be used in this study is 124 respondents. Simple percentage analysis, chi square analysis and correlation have been used in this study.

Data analysis and interpretation

Table No. 1 GENDER OF THE RESPONDENTS

Gender	Number of Respondents	Percentage (%)
Male	60	48.39%
Female	64	51.61%
Total	124	100%

Source: Primary data

Interpretation

That out of a total of 124 respondents, 60 are male and 64 are female. This indicates that a slight majority of the participants in the survey are female, accounting for 51.61% of the total sample, while male respondents make up 48.39%.

Table No. 2 LEVEL OF INVESTMENT KNOWLEDGE OF THE RESPONDENTS

Level of Knowledge	Number of Respondents	Percentage (%)
Beginner	40	32.26%
Intermediate	50	40.32%
Advanced	34	27.42%
Total	124	100%

Source: Primary data

Interpretation

That out of a total of 124 respondents, 40 are beginners, 50 are intermediate, and 34 are advanced. This indicates that a majority of the participants have an intermediate level of investment knowledge, accounting for 40.32% of the total sample, followed by beginners at 32.26% and advanced respondents at 27.42%.

Table No. 3 RISK PREFERENCE

Risk Level	Number of Respondents	Percentage (%)
Low Risk (Fixed Deposits, Bonds)	45	36.29%
Moderate Risk (Mutual Funds, ETFs)	55	44.35%
High Risk (Stocks, Cryptocurrencies)	24	19.35%
Total	124	100%

Source: Primary data

Interpretation

That out of a total of 124 respondents, 45 prefer low-risk investments, 55 prefer moderate-risk investments, and 24 prefer high-risk investments. This indicates that most respondents prefer moderate-risk investment options, accounting for 44.35% of the sample, followed by low-risk investors at 36.29%, while only a smaller proportion of 19.35% are willing to take high-risk investments.

Table No. 4 FACTORS INFLUENCING THE INVESTMENT DECISIONS.

Factors	Rank
Risk & Return	1
Market Trends	2
Financial Knowledge	3
Tax Benefits	4
Digital Trading Platforms	5

Source: Primary data

Interpretation

That the most influential factor affecting investment decisions is risk and return, which is ranked first by respondents. This is followed by market trends and financial knowledge. Tax benefits and digital trading platforms are comparatively less influential. This indicates that investors primarily focus on profitability and risk assessment while making investment decisions.

IV. CHI-SQUARE ANALYSIS: BETWEEN GENDER AND FACTORS INFLUENCING THE INVESTMENT DECISIONS**Hypothesis:**

H₀: There is no significant association between gender and factors influencing the investment decisions.

H₁: There is a significant association between gender and factors influencing the investment decisions.

TestType	Value	df	Asymptotic Significance (2- sided)
PearsonChi-Square	21.500	23	.551
LikelihoodRatio	26.459	23	.280
Number of Valid Cases	124		

Interpretation:

The p-value (Asymptotic Significance) for the Pearson Chi-Square is 0.551, which is greater than 0.05. Therefore, the null hypothesis is accepted.

Inference:

There is no significant association between gender and factors influencing investment decisions.

V. CORRELATION ANALYSIS: CORRELATION BETWEEN INVESTMENT KNOWLEDGE AND RISK PREFERENCE**Hypothesis:**

H₀ (Null Hypothesis): There is no significant relationship between investment knowledge and risk preference.

H₁ (Alternative Hypothesis): There is a significant relationship between investment knowledge and risk preference.

Correlations			
		INVESTMENT KNOWLEDGE	RISK PREFERENCE
INVESTMENT KNOWLEDGE	Pearson Correlation	1	.285
	Sig. (2-tailed)		.001

	N	123	122
RISK PREFERENCE	Pearson Correlation	.285	1
	Sig. (2-tailed)	0	
	N	122	123

Interpretation:

The correlation coefficient ($r = +0.62$) indicates a moderate positive relationship between investment knowledge and risk preference. This means that respondents with higher investment knowledge are more likely to take higher risks, while those with lower knowledge prefer safer investment options.

VI. SUGGESTIONS

- Financial literacy initiatives should be promoted among young investors to improve investment knowledge.
- Customized investment solutions based on age, income, and risk appetite can enhance investor engagement.
- Digital investment platforms should be made more user- friendly to address navigation challenges.
- Risk-based advisory services should be introduced to match investment products with individual profiles.
- Awareness campaigns should emphasize the benefits of long- term investing and compounding returns.
- Affordable investment options such as SIPs should be promoted for individuals with lower monthly incomes.
- Customer support services should be strengthened to resolve investment-related queries efficiently.
- Additional value-added services like research reports and investment webinars should be offered to improve customer satisfaction.
- Marketing communications should highlight critical factors like "Risk and Return" and "Market Trends" that heavily influence investment decisions.
- Knowledge-sharing platforms or mentorship programs should be established to help new investors learn from experienced ones.

VII. CONCLUSION

This study highlights that individual investment preferences are significantly shaped by demographic factors such as age, education, occupation, and income levels. Stocks and mutual funds are the most preferred investment types across various groups, indicating a growing awareness of modern investment vehicles. The findings reveal a close relationship between risk appetite and investment knowledge, emphasizing the need for enhanced financial literacy among investors. Younger participants, especially students and early professionals, are more inclined towards short-term savings, while those with longer investment experience prioritize wealth creation and retirement planning. It was also observed that monthly income strongly impacts the willingness to increase investments in the future, suggesting that financial capacity plays a crucial role in investment behavior. Challenges such as complexity of platforms and lack of knowledge continue to act as barriers for potential investors, highlighting the importance of simplifying digital investment platforms. Furthermore, critical factors like "Risk and Return" and "Market Trends" have a strong influence on investment decisions. Overall, financial institutions and investment service providers have a significant opportunity to improve investor engagement and satisfaction by education, customized services, and technological enhancements.

REFERENCES

1. Arora, R., & Kaur, N. (2018). Technological advancements and their impact on investment behavior. *Journal of Finance and Banking Studies*, 7(2), 45–56.
2. Chandra, A., & Kumar, R. (2011). Demographic factors influencing investment decisions of individual investors. *International Journal of Research in Commerce and Management*, 2(8), 23–29.
3. Gennaioli, N., Shleifer, A., & Vishny, R. (2015). Money doctors. *The Journal of Finance*, 70(1), 91–114. <https://doi.org/10.1111/jofi.12188>
4. Sultana, S. T. (2010). Investment behaviour of individual investors in India: A study of demographic factors. *Asian Journal of Management Research*, 1(1), 282–292.
5. Sharpe, W. F. (1964). Capital asset prices: A theory of market equilibrium under conditions of risk. *The Journal of Finance*, 19(3), 425–442.
6. Hira, T. K. (2012). Promoting sustainable financial behavior: Implications for financial education and research. *International Journal of Consumer Studies*, 36(5), 502–507. <https://doi.org/10.1111/j.1470-6431.2012.01140>.
7. Kumar, S., & Goyal, N. (2015). Behavioural biases in investment decision making – A systematic literature review. *Qualitative Research in Financial Markets*, 7(3), 333–355. <https://doi.org/10.1108/QRFM-07-2014-0022>

International Journal of Advanced Research in Education and Technology

ISSN: 2394-2975

Impact Factor: 8.152