

Behavioral Approach of Stock Market Investment - with Special Reference to Retail Investors in UAE

S. Edmund Christopher

Abstract--- Business risk can be of Systematic and unsystematic. Efficient alludes to that part of complete inconstancy of the arrival brought about by basic variables influencing the costs of all securities alike through affordable, political, social elements. Unsystematic alludes to that bit of the arrival caused because of interesting variables identifying with that firm or industry. For instance these risks are classified as Business Risk, Financial Risk, and Management Risk. While reducing risk in investment, Investors will get more benefit and also their attitudes towards equity investment will increase to some extent level. In this study, the researchers made an attempt to understand the attitude of investors towards their investment in stock market particularly equity investment. For this purpose a structured questionnaire was constructed by the researchers after having a consultation with experts in the field of research and stock market.

Keywords--- Attitude, Equity Investment, Stock Market, Individual Investors.

I. INTRODUCTION

The portfolio threat can be assessed under the thought of a portfolio, the covariance, and relationship co-productive, of every advantage with every one of the other resource. Return is estimated by taking the salary in addition to the value change. Salary is separated by intrigue and value change of the security is the capital increase or misfortune. The core objective of any business is to get more profit. Suppose investor gets more return from their investments they feel happy about their investment and vice-versa. Understanding investor's attitude regarding the investment is most important. This study made an attempt to know investors attitude using questionnaire and collected data analyzed in a systematic way.

II. OBJECTIVES OF THE STUDY

The following is the main objective of the study.

To probe the individual investors' attitude regarding investment in the stock market

III. METHODOLOGY OF THE STUDY

The study used primary data, and the same was collected from the retail / individual investors in UAE. Field survey technique was employed to collect the pertinent data from the 300 selected sample respondents in UAE. The respondents were selected by using systematic cluster sampling method from the study area.

IV. ANALYSIS AND INTERPRETATION

Age and Attitude

Age of the respondent is an important factor for this study. Respondent's opinion may differ from one to another. And their satisfaction level also varied. So, the age has been categorized as below 25 years, 25 years to 50 years and above 50 years. The respondents of below 25 years are 45% (135), between 25 years to 50 years are 31% (93) and above 50 years are 24% (72).

Table 1: Table showing the Age and Attitude of sample respondents

AGE	Attitude about the stock market						Total	%
	High		Medium		Low			
	No. of	%	No. of	%	No. of	%		
<25 Years	83	39.52	30	81.08	22	41.52	135	45
25-50 Years	75	35.72	1	2.70	17	32.07	93	31
> 50 Years	52	24.76	6	16.22	14	26.41	72	24
Total	210	100%	37	100%	53	100%	300	100%

From the above table one, it is inferred that, 39.52% (83) of the respondent belong to below 25 years category have high attitude about the stock market and invest more in the equity stocks. About 81.08% (30) of the respondent belong to below 25 years category have medium level of attitude about the performance of the equity stocks. About 41.52% (22) of the respondent belong to below 25 years category have low attitude to invest in the equity stocks. It is concluded that majority of the respondent (210) having high attitude towards investing in the equity stocks.

Gender and Attitude

The respondent shows their basic difference in their gender so that only gender of the respondent is classified into two categories viz., male with 88% (264) respondent and female with 12% (36) respondents respectively.

Manuscript received May 15, 2019

S. Edmund Christopher, Associate Professor and Dean of Academic Affairs, Emirates College for Management and Information Technology (ECMIT), Dubai, UAE. (e-mail: edmundchristo@gmail.com)

Table 2: Table showing the respondents' attitude of based on Gender

GENDER	Attitude of respondents						Total	%
	High		Medium		Low			
	No. of. Res.	%	No. of. Res.	%	No. of. Res.	%		
Male	184	87.62	30	81.08	50	94.34	264	88
Female	26	12.38	7	18.92	3	5.66	36	12
Total	210	100%	37	100%	53	100%	300	100%

From the above analysis in table two, it inferred that, 94.34% (50) of the respondent belong to male category have low attitude about the investment in the equity stocks. 18.92% (7) of the respondent belong to female category have medium attitude towards their investments in the equity stocks. It is concluded that majority of the respondent (210) having high intention to invest their surplus money in the equity stocks.

Marital Status and Investors' attitude Regarding the Stock Market

The character of the people will vary when they move from the unmarried category to a married category. So, only marital status of the respondent is classified into two categories viz., married with 65.34% (196) respondent and single with 34.66% (104) respondents respectively.

Table 3: Marital Status and Attitude of respondents towards stock market

MARITAL STATUS	Attitude toward Stock Market						Total	%
	High		Medium		Low			
	No. of. Res.	%	No. of. Res.	%	No. of. Res.	%		
Single	74	35.24	16	43.24	14	26.42	104	34.66
Married	136	64.76	21	56.76	39	73.58	196	65.34
Total	210	100%	37	100%	53	100%	300	100%

From the above analysis in table 3, it is inferred that, 73.58% (39) of the respondent belonging to married category have low intention to invest in the equity stocks. 43.24% (16) of the respondent belonging to single category have medium attitude towards saving their excess income in the equity stocks. It is concluded that majority of the respondent (210) having high attitude about the investment on the equity stocks.

Nature of Employment and Attitude of Investments in Stock Market

Nature of employment gives an identity to an individual. Based upon their nature of employment, their preference will be change. So, that only marital states of the respondent is classified into four categories viz., salaried with 47.33% (142) respondent, business with 37.67% (113) respondent, professional with 14.0% (42) respondent and others with 1.0% (3) respondent respectively.

Table 4: Nature of Employment and Attitude of Investment in Stock Market

NATURE OF EMPLOYMENT	Attitude toward Stock Market Investment						Total	%
	High		Medium		Low			
	No. of. Res.	%	No. of. Res.	%	No. of. Res.	%		
Salaried	119	56.67	15	40.54	8	15.09	142	47.33
Business	63	30	9	24.33	41	77.36	113	37.67
Professional	27	12.86	12	32.43	3	5.66	42	14.00
Others	1	0.47	1	2.70	1	1.89	3	1.00
Total	210	100%	37	100%	53	100%	300	100%

The above table four reveals that, 77.36% (41) of the respondent belong to business category have low attitude towards in the equity stocks. 56.67% (119) of the respondent belong to salaried category have high attitude toward stock market and the equity stocks. 32.43% (12) of the respondent belong to professional category have medium attitude about the equity stocks. 2.70% (1) of the respondent belong to others category have medium attitude regarding the equity stocks. It is concluded that majority of the respondent (210) having high attitude and willing to invest the savings in the equity stocks.

Educational Qualification and the Respondents Attitude

Education brings knowledge to a man. Knowledge can't be measure. But with the help of the education attitude regarding the investment can be measured. So that only gender of the respondent is classified into three categories viz., school level with 12.67% (38) respondent, under graduate level with 49.0% (147) respondents and post graduate level with 38.33% (115) respondent respectively.



Table5: Educational Qualification and Attitude toward Stock Market

EDUCATIONAL QUALIFICATION	Attitude toward Stock Market						Total	%
	High		Medium		Low			
	No. of Res.	%	No. of Res.	%	No. of Res.	%		
School Level	28	13.33	3	8.11	7	13.21	38	12.67
UG	91	43.33	27	72.97	29	54.72	147	49.00
PG	91	43.34	7	18.92	17	32.07	115	38.33
Total	210	100%	37	100%	53	100%	300	100%

From the above analysis, it inferred that, 72.97% (27) of the respondent belong to under graduate category have medium attitude in the equity stocks investment. 43.34% (91) of the respondent belong to post graduate category have high attitude regarding the equity stocks. 13.33% (28) of the respondent belong to school level category have high attitude towards their saving in the equity stocks. It is concluded that majority of the respondent (210) having high attitude towards equity stocks investment in the stock market.

Type of Family and Investment Attitude in the Stock Market

Family of the individual makes them a socialistic personality and being bounded by ruler and responsibility. So that only family type of the respondent is classified into two categories viz., joint family with 71.33% (214) respondent and nuclear family with 28.67% (86) respondents respectively.

Table 6: Type of Family and Attitude about the Equity Stock Investment

TYPE OF FAMILY	ATTITUDE						Total	%
	High		Medium		Low			
	No. of Res.	%	No. of Res.	%	No. of Res.	%		
Join family	147	70	21	56.76	46	86.79	214	71.33
Nuclear family	63	30	16	43.24	7	13.21	86	28.67
Total	210	100%	37	100%	53	100%	300	100%

From the above analysis, it inferred that, 86.79% (46) of the respondent belong to join family category have very less attitude about the investment in the equity stocks. 43.24% (16) of the respondent belong to nuclear family category have medium level attitude towards the investment in the equity stocks. It is concluded that majority of the respondent

(210) having high attitude towards equity stock investment and invested their savings.

Family Size and Attitude of Respondents Regarding Equity Investment

Family size is a crucial factor not only for an individual but also for the society.

Based upon the family size, the individual will decide his/her life style. So that only family size of the respondent is classified into three categories viz., below 3 members with 41.33% (124) respondent, between 3 members to 6 members with 39.67% (119) and above 6 members with 19.0% (57) respondents respectively.

Table 7: Family Size and Attitude of Respondents Regarding Equity Investment

FAMILY SIZE	ATTITUDE						Total	%
	High		Medium		Low			
	No. of Res.	%	No. of Res.	%	No. of Res.	%		
<3	86	40.95	24	64.86	14	26.42	124	41.33
3 to 6	83	39.52	11	29.73	25	47.17	119	39.67
>6	41	19.52	2	5.41	14	26.41	57	19.00
Total	210	100%	37	100%	53	100%	300	100%

From the above analysis, it inferred that, 64.86% (24) of the respondent belong to below 3 members category has medium attitude regarding the equity stocks.

47.17% (25) of the respondent belong to between 3 members to 6 members category has low attitude about the investment in the equity stocks.

26.41% (14) of the respondent belong to above 6 member's category have very low attitude in the equity stock investment. It is concluded that majority of the respondent (210) having high attitude towards investment in the equity stocks.

V. INCOME AND ATTITUDE OF RESPONDENTS

Income is the inevitable factor for which they are working. It is the only compensation or profit they obtain for their contribution to lead their life.

So that only annual income of the respondent is classified into three categories viz., below Rs.2.5 lakhs with 53.67% (161) respondents, between Rs.2.5 lakhs to Rs.5 lakhs with 25.66% (77) and above Rs.5 lakhs with 20.67% (62) respondents respectively.



Table8: Income and Attitude of Respondents about the Stock Market

INCOME	ATTITUDE						Total	%
	High		Neutral		Low			
	No. of Res	%	No. of Res	%	No. of Res	%		
<Rs.2.5 Lakhs	116	55.24	30	81.08	37	69.81	161	53.67
Rs.2.5 to 5 Lakhs	55	26.19	5	13.51	24	45.28	77	25.66
>Rs. 5 Lakhs	39	18.57	2	5.41	14	26.41	62	20.67
Total	210	100%	37	100%	53	100%	300	100%

From the above analysis, it inferred that, 69.81% (37) of the respondent belong to bellow Rs.2.5 lakhs category has low attitude about the investment in the equity stocks. 45.28% (24) of the respondent belong to between Rs.2.5 lakhs to Rs.5 lakhs category has low attitude towards the equity stocks. 18.57% (39) of the respondent belong to above Rs.5 category have high attitude and invested in the equity stocks. It is concluded that majority of the respondent (210) having high attitude towards equity stock market.

VI. CHI-SQUARE ANALYSIS

In order to find the relationship between the select Socio-economic factors of the respondents and attitude about equity stocks, a chi-square test was used, and the result of the test is shown in the Table No.4.9. As to prove the significance of the hypothesis H_0 and H_1 is framed.

H_0 – There is no significant relationship between Socio-economic factors (Age, Gender, Marital Status, Nature of employment, Educational Qualification, Type of Family, Family Size, and Income) of the respondents and attitude of equity investment.

H_1 - There is significant relationship between Socio-economic factors (Age, Gender, Marital Status, Nature of employment, Educational Qualification, Type of Family, Family Size, and Income) of the respondents and attitude towards the equity investment.

Table 9: Socio-Economic Factor and Behavioral approach of respondents (CHI – SQUARE TEST)

Average Factor	Calculated X^2 Value	Table value	D.F	Remarks
Age	24.44	9.488	4	Significant
Gender	3.72	5.991	2	Not significant
Marital status	2.82	5.991	2	Not significant
Nature of employment	56.93	12.592	6	Significant
Educational qualification	12.31	9.488	4	Significant
Type of family	10.22	5.991	2	Significant
Family Size	14.65	9.488	4	Significant
Income	11.24	9.488	4	Significant

It is revealed from the table nine the determined Chi-square esteem is more noteworthy than the table an incentive for six variables viz., Age, Nature of work, Educational capability, Type of family, Family Size,, and Income, and the aftereffects of the Chi-square test is huge at 1 % dimension. Thus, the invalid theory (H_0) is rejected and the elective speculation (H_1) is acknowledged.

From the examination it is inferred that there is a cozy connection between the chose Socio-financial factors, for example, Age, Nature of business, Educational capability, Type of family, Family Size,, and Income. Then again, the factors viz., Gender and Marital status demonstrated that there is no cozy connection between these factors and dimension of fulfillment in value speculation.

VII. FINDINGS, SUGGESTIONS, AND CONCLUSION

Findings

1. It is found from the investigation, there is noteworthy connection among age and attitude of the respondents towards the stock market..
2. It is uncovered from the investigation that there is no huge connection among sexual orientation and attitude of the respondents towards the stock market.
3. It is distinguished from the examination that there is no critical relationship Marital Status and attitude of the respondents towards the stock market.
4. From the Chi-Square Analysis, there is huge connection between Nature of business and attitude of the respondents towards the stock market.
5. It is discovered that, there is huge connection between Educational Qualification and attitude of the respondents towards the stock market.
6. It is noted from the investigation that there is huge connection between kind of family and attitude of the respondents towards the stock market.
7. From the Chi-Square Analysis, there is huge connection between size of family and attitude of the respondents towards the stock market.
8. It is found from the investigation that, there is huge relationship pay and attitude of the respondents towards the stock market.

VIII. SUGGESTIONS & RESULTS

1. The newsletters published helps to investors. Hence newsletters / bulletins can be published for guidance.
2. Efforts to be taken to popularize Equity stocks through appropriate publicity measures.
3. Retail investors are the main source for company. So to boost retail investors more schemes related to trading, brokerage, commission, Demat should be introduced.



IX. CONCLUSION

Obviously the financial specialists in the study area have low dimension of comprehension about risk engaged with value stocks, as they don't know about the risk level administration. So the correct strides to be taken so as to improve the mindfulness level in the psyches of the financial specialists. Stock specialists should focus on improving financial specialists' dimension of fulfillment by method for offering progressively solid data about securities exchange and furthermore may prescribe a perfect measure of offer to purchase on an exchanging day.

REFERENCES

- [1] Cooley, William W., and Lohnes, Paul R., *Multivariate Data Analysis*, John Wiley and Sons, New York, 1971.
- [2] Deming, W. Edwards., *Sample design in Business Research*, John Wiley and Sons, New York, 1960.
- [3] Edwards, Allen L., *Techniques of Attitude Scale Construction*, Appleton-Century-Crofts, New York, 1957.
- [4] Engel, James F., Kollat, David T., and Blackwell, Roger D., *Consumer behavior*, 2nd ed., Dryden Press, Illinois, 1973.
- [5] Ferguson, George A., *Statistical Analysis in Psychology and Education*, 4th ed., McGraw-hill Book Co., Inc., New York, 1959.
- [6] Howard, John A. and Sheth, Jagdish N., *The Theory of Buyer Behaviour*, John Willey and Sons, New York, 1969.
- [7] James, Myers H, and William, Reynolds H., *Consumer Behaviour and Marketing Management*, Houghton Mifflin Company, Boston, 1967.
- [8] Kasserjian, Harold H, and Bennet, Peter D., *Consumer Behaviour*, Prentice-Hall of India, New Delhi, 1976.
- [9] Mehta, Subhash C., *Indian Consumers – Studies and Cases for Marketing Decisions*, tata McGraw-Hill, New Delhi, 1974.
- [10] Edmund Christopher, "Banking Inventiveness a Catalyst for Demonetization Disorder –A Study with Special reference to New Generation Banks", *International Journal of Engineering and Technology*, (3,6)(2018)168-171.
- [11] Edmund Christopher and Srinivasan, (2018) "The Impact Of Adopting ERP On Key Performance Indicator By The Mediation Effect Of Critical Success Factors And Performance Indicators In Automobile Ancillary Industries" *International Journal of Public Sector Performance Management (IJPSPM)*.
- [12] Kinslin and, Pradeep "Management Education in Kerala- Impact on Employability", *International Journal of Engineering and Technology*, ISSN: 2227-524X(3,6)(2018)375-378, www.sciencepubco.com/Index/php/IJET
- [13] Pradeep "Gender Factor-Impact on Employability: Special Reference to Management Students in Kerala", *International Journal of Engineering and Technology*, ISSN: 2227-524X(3,6)(2018)368-374, www.sciencepubco.com/Index/php/IJET
- [14] Lakshmi Radhakrishnan, Panchali Das., 'Impact of ethical learning environment in fostering academic integrity', *Advance Research Journal of Multidisciplinary Discoveries*, Vol.-8.0, Issue -1, Chapter –VIII -Jan-2017, E- ISSN NO : 2456 – 1045
- [15] NithyaDaimy KM., 'Reengineering the Process of Performance Evaluation towards the Employee's Development – Need of the Time in IT Industry', *Journal of Chemical and Pharmaceutical Sciences*, ISSN: 0974-2115, JCPS Volume 9 Issue 4, October - December 2016.
- [16] NithyaDaimy KM., 'Motive behind the pool of it professionals focusing Indian it industry – an analytic study', *Journal of Chemical and Pharmaceutical Sciences*, ISSN: 0974-2115, JCPS Volume 9 Issue 4, October - December 2016.
- [17] Srinivaasan., 'Drain The Women Entrepreneurial Effort To Manage Global Crisis Is The Need Of An Hour – A Focus Based On Indian Context"', *International Journal of Management Research -Singapore*, Vol. 4, Issue 10, October 2016 IF- 4.88 ISSN: (2321-1709)
- [18] K. Asha S. Edmund, A study on Buying Behaviour of Customers towards Branded and Non-branded gold Jewellery with reference to kanyakumari district; *International Journal of Management (IJM)*, ISSN 0976 – 6502(Print), ISSN 0976 - 6510.