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A Study to Measure the Investment Pattern of Salaried Individual Investors in Bardoli region

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ABSTRACT

The research examines the investment patterns of salaried individuals in the Bardoli region, focusing on factors that influence financial decisions. Using a combination of literature review, surveys, and statistical analysis, the study identifies trends in risk tolerance, investment motives, and demographic impact on preferences. Key insights reveal a preference for safe investments, such as bank deposits and gold, alongside a growing interest in modern options like systematic investment plans (SIPs). Misconceptions, limited financial literacy, and reliance on family advice are highlighted as barriers to optimal decision-making. Findings emphasize the importance of targeted financial education to empower individuals towards diversified and goal-oriented investment strategies.

KEYWORDS Investment Patterns, Salaried Individuals, Bardoli Region, Risk Tolerance, Financial Decisions, Safe Investments, Systematic Investment Plans (SIPs), Financial Literacy, Demographic Impact, Investment Motives

INTRODUCTION

Investing money in today's financial markets has become a complex endeavour, demanding both strategic thought and careful planning. Despite varying levels of education, social status, and occupation, individuals are often drawn to the promise of financial growth through investments. However, achieving success in this field requires understanding that investment is both an art and a science—a balance between creativity and analytical rigor. Investment is an economic activity that engages virtually everyone in some form, yet the outcomes differ significantly. While profit is the primary objective, not all investors reap rewards. Losses often stem from unscientific management of funds and blind imitation rather than informed decision-making. This highlights the intrinsic link between risk and return, wherein effective investing lies in maximizing returns while minimizing risks.

investment involves sacrificing something in the present for the prospect of gaining something in the future. It has three dimensions: time, the creation or exchange of assets, and a profit-driven motive. In essence, it is the employment of funds to generate additional income or enhance asset value. Investors must forgo immediate liquidity and assume risks concerning factors like returns, waiting periods, retrieval costs, fund safety, and the variability of outcomes.

LITERTURE REVIEW

Priti Jaiswal, Purvi Derashri (2022) conducted research on the topic "Assessment of saving and investment pattern between salaried and business class investors from life sciences background in western India". The research focuses on observing and measuring phenomena assessment of saving and investment pattern between salaried and business class investors in western India. The research is based on empirical data and has findings on experimental design. The researcher found that there is significant difference in the investment and savings option between salaried and business class in western region of India. The findings of the research will be helpful in determining the investment patterns, attitudes, and behaviour of investors in India.

L Ghatage and Jadhav Dhairyasheel (2013) conducted research on the topic **"**A study of investment preferences of individual investors Life cycle stages with respect to Satara city". All the Life Cycle Stages have different investment preferences, because as individual investor moves up to next life cycle stage his/her responsibilities has been increases as well as his/her risk-taking capacity has been decreasing. So, at the initial stages' investors are aggressive and they invest their money in Shares, Mutual Funds, and ULIP Insurance Plans. And when he/she moves up towards retirement stage they start invest their money in Debentures, Bank FD, Bonds, Post Office Schemes, and NSC/NSS. By understanding the investment preferences of local Investors, it will help to find scope and opportunities for the future trends in the area. Also, it will help in findings business potential in this area regarding mutual fund, insurance and other such options. Also, this study is expected to contribute to incorporate future and new trends in the investment pattern in the area. This study will be beneficial to Financial Institutions, Intermediaries, Banks, Industry as well as Individual Investors.

Dr. I. Samuel Sundar Singh (2016) conducted research on the topic "A Study on Preferred Investment Avenues among Salaried People with Reference to Kanyakumari District, Tamil Nadu". The study concludes that bank deposits are the most preferred investment avenue among the salaried class in Kanyakumari District, with 35% of respondents choosing this option. The primary investment objective for many respondents is safety, with 26% indicating this as their main concern. The findings reveal that a significant portion of the respondents (36%) prefer medium-term investments, and a majority (40%) express a high level of satisfaction with their investment choices. The research highlights the importance of understanding the investment behavior of salaried individuals, suggesting that financial institutions should focus on providing investment options that prioritize safety and regular income. Additionally, the study emphasizes the need for awareness programs to educate investors about various investment avenues, particularly those that offer higher returns.

Dr. Giridhar K. V. and Mr. Babu K. A. (2021) conducted research on the topic "Income, savings and investment pattern of private sector salaried households in Karnataka". The research is carried out to assess the pre COVID – 19 and post unlock period income, savings, and also investment patterns of those individuals serving in private sector enterprises belonging to education, automobile and telecommunication sectors. A structured questionnaire was used for collecting data from 180 private sectors salaried households. The researcher concluded that there is a shift in investment preference of salaried households from pre lockdown period to post unlock period. Gold, silver was the top preferred investment opportunity before lockdown, but soon after the unlock period chit fund has become the top preferred investment avenue.

V.R. palanivelu, k. Chandra Kumar (2013) conducted research on the topic "A Study on Preferred Investment Avenues among Salaried Peoples with Reference to Namakkal Taluk, Tamil Nadu, India". The study concludes that there is a significant difference in both investment options and saving percentages between salaried and business class investors in western India. The findings indicate that salaried individuals tend to have different investment preferences compared to their business class counterparts, influenced by their respective risk-taking capacities and financial awareness.

Priya Ahuja (2021) conducted research on the topic "A comparative study on investment pattern of individual working in government sector and private sector with reference to Bhopal City." The purpose of the study is to determine the significant difference between investment preference of government sector employees and private sector employees. The data was collected through structured questionnaire (Google form). Secondary data is used to study past research papers and different books related to the topic to enhance clear knowledge about the topic. The analysis of the primary data has been done percentage method and chi square test. It was found from the analysis that government employees prefer traditional investment options while private employees prefer modern investment options. The research also helps to provide wider scope to understand issues and factors that one should analyse before investing money.

Pavithra. S (2020) conducted research on the topic "A study on investment pattern towards salaried employees in Coimbatore city". The objective of the study is to analyses the awareness level of salaried class investors towards the nature of investment, identify the time origin which they make their investment. The sample size which is taken for the study is 120. The statical (S, 2020) tool used for the is simple Percentage analysis and Ranking analysis. The study is based upon primary data. It can be concluded that employees have shown that they are following good investment policies and they are satisfied with their investment practices. The findings of the study indicate that employee's perception has led to the investment appreciation exhibited through various factors.

Apurva Chandra and Ankit Sharma (2019) conducted research on the topic "Investor's awareness, preference and pattern of investment in various financial assets". The purpose of the study was to investigate the current level of knowledge among investors about the various financial assets and also about the multiple factors that could affect the investment decisions and investment style of the investors. Structured questionnaire was prepared and data was collected from 152 investors. The Statistical Package for the Social Science (SPSS) was used to analyse the data. Descriptive statistics are used to determine the relationships among the variables, which are expected to influence the investment decision of the investors. The researcher concluded that the preferences of investors based on their characteristics like gender, academic credentials, age, occupation, and annual income.

Hariharan N. (2022) conducted research on the topic "A Study on Savings and Investment Pattern of Salaried Class People". This study thus certainly improves the investment pattern decisions and their choice to meet of their future investment. Similar studies with diverse samples will help in understanding the investment attitude of the targeted respondents in a better level. The main reason has been observed to be the lack of awareness of investors about the concept and working of the investment pattern. Moreover, as far as the Socio-Economic variables are concerned, age, gender, income, education and occupation have been found influencing the attitude of investors towards investment significantly. The awareness among the rural investors is required to increase the investment options in share market and thereby they also to reap the benefits of the stock market investment. Also, to create awareness among the investors in the district who have inadequate knowledge about share market.

Dr. V. Ramanjam K. Chitra Devi (2012) conducted research on the topic "A study on impact of socio – economic profile on investment pattern of salaried and business people in Coimbatore City". The study analyses the impact of socio-economic variables on the attitude of investors towards investment. Structured questionnaire was prepared to collected data from 100 respondents of Coimbatore city. The study highlights certain awareness about the financial system, age of invertors etc. make significant impact while deciding on the investment patterns for investment. The researcher observed that the level of income also influences the investment decisions. Higher income group shows relatively high preference towards investment in share market, conversely lower and average income group shows keen preference towards insurance and banks as the most preferred investment avenues.

RESEARCH METHODOLOGY

Problem statement

"To Measure the Investment Pattern of Salaried Individual Investors in Bardoli Region".

Objective of the study

1. To study the investment pattern among the salaried class working in different sectors of South Gujarat.

2. To Analyze behavior of salaried individuals for investments.

3. To study relationship of demographic variables with investment preferences.

Research Design

Research design is descriptive study and it refers to the methods that describe the characteristics of the variables under study.

There is main three types of research design:

I.   Exploratory Research Design: -

Explanatory research is a research method that explores why something occurs when limited information is available. It can help you increase your understanding of a given topic, ascertain how or why a particular phenomenon is occurring, and predict future occurrences.

II.   Descriptive Research Design: -

Descriptive research design is a research method that involves observing and collecting data to describe a phenomenon, population, or situation. It's a simple form of observational study design that can use both qualitative and quantitative data. The goal of descriptive research is to provide an accurate picture of the subject being studied, and to identify patterns, trends, and relationships within the data.

III.   Casual Research Design: -

Causal research, also known as explanatory research or causal-comparative research, identifies the extent and nature of cause-and-effect relationships between two or more variables. It's often used by companies to determine the impact of changes in products, features, or services process on critical company metrics.

This project study as well as descriptive study. The Descriptive research is here carried out to describe about the phenomenon. This study is done to understand the investment behavior of the different salaried groups and its approach towards investment avenues. Descriptive Research Design is used as researcher wants to gain a better understanding of investor; the design used will help in the exploring the investor.

Source of Data Collection

The study is based on both primary and secondary data.

Primary data: -

Primary data was obtained from the respondents by administering the structured questionnaire and by communicating with respondents for evaluating the feedback. Primary data refers to information collected firsthand by the researcher for a specific purpose. It is original and unique to the study being conducted, as opposed to secondary data, which is information previously collected by someone else. Primary data can be gathered through various methods, including surveys, interviews, experiments, and observations. This type of data is valuable because it directly addresses the research questions and reflects the current context.

Secondary data: -

Secondary data is collected from different published materials via Books, Journals, websites etc. Secondary data is information that has already been collected, analyzed, and published by someone else. Unlike primary data, which is gathered firsthand for a specific research purpose, secondary data is typically used to provide context, comparison, or background for a new study. Sources of secondary data include books, research articles, reports, government publications, and online databases. While it can be more accessible and less expensive to gather, it's important to assess the relevance and reliability of secondary data for your particular research needs.

For this research primary data use.

Sampling Technique

The sampling technique that will be used in the study is **convenient sampling technique** as the investors are taken according to convenience of the research study.

Sample Size

The total sample size taken in the project is 100.

Analytical technique

1. Frequency distribution

2.   Descriptive statistics

3.   Pearson correlation

4.   Chi square cross tabulation

DATA ANALYSIS

Pearson Correlation

Correlations

		Gender	Age	Education qualification	Occupation	Income group 2: -	How frequently do you invest?
Gender	Pearson Correlation	1	-.131	.108	-.096	-.149	.071
	Sig. (1-tailed)		.096	.142	.172	.070	.241
	N	100	100	100	100	100	100
Age	Pearson Correlation	-.131	1	-.095	-.411**	.171*	.015
	Sig. (1-tailed)	.096		.175	.000	.044	.443
	N	100	100	100	100	100	100
Education qualification	Pearson Correlation	.108	-.095	1	-.334**	.079	-.044
	Sig. (1-tailed)	.142	.175		.000	.216	.331
	N	100	100	100	100	100	100
Occupation	Pearson Correlation	-.096	-.411**	-.334**	1	-.171*	-.044
	Sig. (1-tailed)	.172	.000	.000		.045	.330
	N	100	100	100	100	100	100
Income group 2: -	Pearson Correlation	-.149	.171*	.079	-.171*	1	.089
	Sig. (1-tailed)	.070	.044	.216	.045		.190
	N	100	100	100	100	100	100
How frequently do you invest?	Pearson Correlation	.071	.015	-.044	-.044	.089	1
	Sig. (1-tailed)	.241	.443	.331	.330	.190	
	N	100	100	100	100	100	100

**. Correlation is significant at the 0.01 level (1-tailed).

*. Correlation is significant at the 0.05 level (1-tailed).

Interpretation

There is negative correlation between Age and Occupation.

There is positive correlation between Age and Income group.

There is negative correlation between Occupation and Income group.

Correlations

		What is your motive of saving / investment?	What is the time period you prefer to invest?	What is your source of advice for Savings / Investments?	What best describes your savings / investment experience?	How often do you monitor your investment?	What percentage of your income do you invest?
What is your motive of saving / investment?	Pearson Correlation	1	.142	.054	-.095	.222*	-.117
	Sig. (1-tailed)		.079	.296	.174	.013	.122
	N	100	100	100	100	100	100
What is the time period you prefer to invest?	Pearson Correlation	.142	1	.252**	.186*	.197*	-.036
	Sig. (1-tailed)	.079		.006	.032	.025	.363
	N	100	100	100	100	100	100
What is your source of advice for Savings / Investments?	Pearson Correlation	.054	.252**	1	.275**	.004	.161
	Sig. (1-tailed)	.296	.006		.003	.484	.054
	N	100	100	100	100	100	100
What best describes your savings / investment experience?	Pearson Correlation	-.095	.186*	.275**	1	-.101	.313**
	Sig. (1-tailed)	.174	.032	.003		.160	.001
	N	100	100	100	100	100	100
How often do you monitor your investment?	Pearson Correlation	.222*	.197*	.004	-.101	1	-.155
	Sig. (1-tailed)	.013	.025	.484	.160		.062
	N	100	100	100	100	100	100
What percentage of your income do you invest?	Pearson Correlation	-.117	-.036	.161	.313**	-.155	1
	Sig. (1-tailed)	.122	.363	.054	.001	.062	
	N	100	100	100	100	100	100

*. Correlation is significant at the 0.05 level (1-tailed).

**. Correlation is significant at the 0.01 level (1-tailed).

Interpretation

A positive correlation between investment period preference and advice source for savings/investments (r = 0.252).

A positive correlation between investment experience and percentage of income invested (r = 0.313).

A positive correlation between investment experience and advice source for savings/investments (r = 0.275).

A positive correlation between investment period preference and investment experience (r = 0.186).

Correlations

		Which financial goal motivates most investors in Bardoli to invest?	What is a common misconception about investing among salaried individuals?	Do you 2 with the sentence? [I make safe investment]	Do you 2 with the sentence? [I like risky investment if returns are high]	Do you 2 with the sentence? [Investment in shares is risky.]	Do you 2 with the sentence? [Investment in gold is always safe.]
Which financial goal motivates most investors in Bardoli to invest?	Pearson Correlation	1	.175*	-.030	.056	-.055	-.046
	Sig. (1-tailed)		.041	.382	.290	.295	.326
	N	100	100	100	100	100	100
What is a common misconception about investing among salaried individuals?	Pearson Correlation	.175*	1	-.086	-.039	-.188*	-.235**
	Sig. (1-tailed)	.041		.199	.350	.031	.009
	N	100	100	100	100	100	100
Do you 2 with the sentence? [I make safe investment]	Pearson Correlation	-.030	-.086	1	.394**	.248**	.285**
	Sig. (1-tailed)	.382	.199		.000	.006	.002
	N	100	100	100	100	100	100
Do you 2 with the sentence? [I like risky investment if returns are high]	Pearson Correlation	.056	-.039	.394**	1	.446**	.191*
	Sig. (1-tailed)	.290	.350	.000		.000	.028
	N	100	100	100	100	100	100
Do you 2 with the sentence? [Investment in shares is risky.]	Pearson Correlation	-.055	-.188*	.248**	.446**	1	.286**
	Sig. (1-tailed)	.295	.031	.006	.000		.002
	N	100	100	100	100	100	100
Do you 2 with the sentence? [Investment in gold is always safe.]	Pearson Correlation	-.046	-.235**	.285**	.191*	.286**	1
	Sig. (1-tailed)	.326	.009	.002	.028	.002	
	N	100	100	100	100	100	100

*. Correlation is significant at the 0.05 level (1-tailed).

**. Correlation is significant at the 0.01 level (1-tailed).

Interpretation

Positive Correlations: There is a positive correlation between the financial goal and misconceptions about investing, indicating that motivated investors may still hold common misconceptions about investing.

Negative Correlations: The negative correlations suggest that the financial goal motivates safe investment preferences, higher risk investments, risk perception on shares, and belief in gold safety.

Correlations

		Do you 2 with the sentence? [Bank deposits are the safe and best.]	Do you 2 with the sentence? [Mutual funds are good for small investors.]	Do you 2 with the sentence? [While investing inflation must be considered.]	Do you 2 with the sentence? [SIP is good option for investment.]	Do you 2 with the sentence? [Risk must be taken to earn good returns.]	Do you 2 with the sentence? [Risk tolerance is based on age.]
Do you 2 with the sentence? [Bank deposits are the safe and best.]	Pearson Correlation	1	.291**	.253**	.211*	.211*	.161
	Sig. (1-tailed)		.002	.006	.018	.017	.055
	N	100	100	100	100	100	100
Do you 2 with the sentence? [Mutual funds are good for small investors.]	Pearson Correlation	.291**	1	.486**	.519**	.363**	.385**
	Sig. (1-tailed)	.002		.000	.000	.000	.000
	N	100	100	100	100	100	100
Do you 2 with the sentence? [While investing inflation must be considered.]	Pearson Correlation	.253**	.486**	1	.232*	.449**	.325**
	Sig. (1-tailed)	.006	.000		.010	.000	.000
	N	100	100	100	100	100	100
Do you 2 with the sentence? [SIP is good option for investment.]	Pearson Correlation	.211*	.519**	.232*	1	.379**	.530**
	Sig. (1-tailed)	.018	.000	.010		.000	.000
	N	100	100	100	100	100	100
Do you 2 with the sentence? [Risk must be taken to earn good returns.]	Pearson Correlation	.211*	.363**	.449**	.379**	1	.465**
	Sig. (1-tailed)	.017	.000	.000	.000		.000
	N	100	100	100	100	100	100
Do you 2 with the sentence? [Risk tolerance is based on age.]	Pearson Correlation	.161	.385**	.325**	.530**	.465**	1
	Sig. (1-tailed)	.055	.000	.000	.000	.000	
	N	100	100	100	100	100	100

**. Correlation is significant at the 0.01 level (1-tailed).

*. Correlation is significant at the 0.05 level (1-tailed).

Interpretation

Bank **deposits are safe and best**: Least correlated with others.

Mutual **funds for small investors**: Generally, show positive correlations, especially with SIP and inflation.

Considering **inflation when investing**: Positively correlated with SIP and risk-taking.

SIP **as a good investment option**: Positive correlations, indicating consistency with other modern investment views.

Taking **risk for good returns**: Predictably correlated with age-based risk tolerance.

Risk **tolerance based on age**: Linked with risk-taking attitudes.

FINDINGS

The dataset consists of 100 individuals, with a gender distribution of 76% males and 24% females, and no missing or invalid data. The majority (65%) are aged 20–30, while 83% are under 30. Educationally, 57% are graduates, 23% have HSC qualifications, 15% are postgraduates, and 5% hold professional degrees. Occupation-wise, 30% work in private sector jobs, 5% in public sector jobs, 29% run businesses, and 36% fall under the "others" category. In terms of income, 55% earn up to ₹2,00,000, while only 11% earn above ₹7,00,000 annually. Investment habits vary, with 49% investing monthly, 12% annually, and 12% opting for lump-sum investments, while 27% do not invest regularly. Key investment motives include regular income and financial stability (33% each), followed by capital growth (21%) and future contingencies (10%).

Investment preferences show that 22% Favor short-term investments, 37% prefer medium-term, and 41% lean toward long-term investments. Financial advice is primarily sought from family (53%), followed by the internet (20%) and financial planners (12%). Investment experience is varied, with 31% lacking experience, 31% knowledgeable in stocks and bonds, 28% opting for safer instruments like fixed deposits, and 10% actively trading. Most respondents (54%) monitor investments monthly, while 30% do so quarterly. The majority (72%) invest only 0%-20% of their income, indicating a conservative approach. Retirement planning (38%) and home buying (32%) are the top financial goals, while 17% prioritize children's education. Common misconceptions include believing investments guarantee returns (21%) and requiring expert knowledge (8%).

A significant portion (52%) strongly agrees they make safe investments, while 66% lean toward high-risk, high-return investments. Around 60% perceive shares as risky, whereas 77% trust gold as a safe investment. Bank deposits are widely regarded as the safest option (67%), and 62% believe mutual funds benefit small investors. The importance of inflation in investment decisions is acknowledged by 63%, and 76% Favor SIPs. Risk-taking is seen as essential for returns by 70%, and 60% believe age influences risk tolerance. The respondents, mainly males aged 31–40, Favor medium-term investments, prioritize financial stability, and consider inflation and SIPs.

Statistical correlations reveal a negative relationship between age and occupation, a positive correlation between age and income, and a negative correlation between occupation and income. Investment period preference correlates positively with advice sources ($r = 0.252$) and investment experience

(r = 0.186). Investment experience also correlates with the percentage of income invested (r = 0.313) and advice sources (r = 0.275). Financial goals positively correlate with misconceptions but negatively correlate with safe investment preferences and risk perception in shares. Gold and bank deposits are seen as safe, while mutual funds, SIPs, and inflation-awareness show strong positive correlations. The study highlights varied investment behaviours, occasional investment frequency, a preference for safe options with some inclination toward risk, prevalent misconceptions among salaried individuals, and diverse sources of financial advice. Gold/Silver emerges as the top investment choice, followed by shares and fixed deposits, with bonds ranking lowest.

CONCLUSION

The project provides a comprehensive analysis of the investment patterns among salaried individuals in Bardoli. It investigates into demographic characteristics, investment preferences, and behaviours, revealing significant trends. The data highlights a preference for safer investments like bank deposits and gold, while some respondents also showed interest in riskier options such as shares. Retirement planning and homeownership emerged as primary goals, showcasing long-term financial aspirations. A notable finding is the reliance on family, online platforms, and financial planners for advice, indicating the importance of trust and accessibility in decision-making. However, common misconceptions about investments, particularly among salaried individuals, stress the need for financial education and awareness programs. Factors such as age, income, and education influence risk tolerance and preferences, while inflation and SIPs are integral considerations in modern investment strategies.

This study underscores a diverse yet cautious investment approach, balancing safety with moderate risk-taking, enabling respondents to align their financial decisions with their personal goals effectively. It offers actionable insights for financial advisors and stakeholders to create tailored financial solutions and promote informed decision-making.

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