Secured Life Style behind the Investment Decision is the True Mirror of The Indian Financial Market: An Empirical Justification.

[1] Dr. Saroj Kumar Sahoo, [2] Yadav Devi Prasad Behera, [3] Tushar Ranjan Sahoo
[1] Asst. Prof. (Stage-I), [2] Research Scholor (Ph.D.), [3] Research Scholor (M.Phill.),
[1][2][3] P.G. Dept. of Business Administration, Sambalpur University, Odisha, India

Abstract:
Introduction
Human beings always have a sense of security while taking any decision in the life. This sense of security is just not reflected in their decisions but it is rooted in the lifestyle of Indian customers (including financial product customers) which ultimately build their way of living in the society. Secured life style makes an individual to take cautious purchase decisions to ensure somewhat secured return, which hold good for purchase decision of financial products also.
Research problem
In the above context the research problem is stated as "can the sense of security in the mind of financial-product-customer be a better predictor of investment decision making towards those financial products, which are secured to some extent?
Aim of the study
(1)To identify secured life style characteristics of financial-product customers in India, (2) to examine the impact of secured life style characteristics of financial-product customers on their purchase decision making, (3) to differentiate the sense of security of investors along the demographic variables.
Research design & methodology
Causative research design is followed in this study where the relationship between life style characteristics and investment decision making is examined. Here stratified random sampling method is adopted with a structured questionnaire to the sample size of 100. The respondents for the study are customers of financial products. Data is analysed through factor analysis, multiple linear regression.
Important findings
It was found that the secured life style characteristics or the sense of security has a significant positive impact on investment decision making. The differences in secured life style along the demographic variables are identified significantly.
Originality/Contribution
The contribution of this study is the identification of differences in secured life style characteristics of Indian investors for the decision making.

Index Terms— Secured life style characteristics, investment decision making, and demographic variables.

I. INTRODUCTION

Feel free, feel burden-less, and convenience feeling are the typical characteristics of Indian consumers. This ultimately justify a particular life style along sense of security. Secured life style makes an individual cautious for any purchase decisions, which hold good for purchase decision of financial products also, ensuring satisfactory return that is secured to some extent. In this competitive market environment, there has been growing awareness about financial products and demand for the same is considerably increased in India. Some people take major risks to create money but majority want to create wealth with their available money with limited risk of investment. This sense of security in the mind of the investor makes a fortress against the available information relating to investment. The sense of security may be associated with demographic features of financial consumers (investors), life style characteristics and the psychological characteristics. Further, person with proper education, a fine-looking earning and less financial burden of the family may protect them from the insecurity feeling and can go with the knowledge based investment. Thus an extensive research work is needed to prove the exact dimensions of sense of security of Indians while taking purchase decision of financial product. Security against the loss is a key factor for buyers of financial products. Even among the 45% ("45% consumers purchase financial products online according to our survey. Here's why," n.d.)who purchased financial products online, almost half felt that the lack of security prevented them from buying more financial products. A

129

Person extrovert nature, optimistic outlook and confident in nature can feel more secure in investment. And the person with greed for money, ambitious nature and leadership behaviour can enhance the sense of security. But the persons lacking this demographic, life style and psychological factors feel the sense of security while investing in the Mutual fund and SIP related to the financial market.Over dependency on foreign financial sources may result in financial crises of the entire economy. So it is imperative to encourage the retail domestic individual investors to go for the trusted fund. Domestic investments are driven mostly by psychological factors of the investors. It affects greatly their decision making. Generally, Indian customers take most of their purchase decisions keeping in view their secured future. In the current research work, the researchers proposed that the above way of decision making hold good for purchasing of financial products also, which ultimately became the life style of Indian financial consumers. This secure life style is generally the thinking of the people to be contained with the existing wealth available with them. They are generally against the principle of taking risk for creating money. This character comes from their personal qualities which is affected by the society and family members, friend circle and also from the past experience.

1.1 Research problem

Unlike any other product, the financial product have also the utility which commonly known as the return from it, but the risk of less return usually perceived by such financial customers. Human beings have the tendency to stay in limit of security while making any decision, especially in the financial decision. In this context the research problem is stated as "can the sense of security in the mind of financial-product-customer be a better predictor of investment decision making towards those financial products, which are secured to some extent?

1.2 Aim of the study

1. To identify secured life style characteristics of financial-product customers in India.
2. To examine the impact of secured life style characteristics of financial-product customers on their purchase decision making.
3. To differentiate the sense of security of investors along the demographic variables.

2. RESEARCH DESIGN & METHODOLOGY

Causative research design is followed in this study where the relationship between life style characteristics and investment decision making is examined. Here stratified random sampling method is adopted with a sample size of 100. A structured

questionnaire with 5 point Likert scale is adopted. The respondents for the study are customers of any financial product that are comparatively more secured than the direct investment in financial market. By factor analysis, the factors-characteristics of secured life style of Indian investors are explored and then these factors are put into the multiple regression analysis keeping investment decision making as dependent variable to know the impact of these factors.

2.1 Respondents profile

The respondent profile in the sample size constitute of 72.3% male and 27.7% female. The lower age investors (between the age of 21-35) consist of 73.3% of the above said respondents and the higher age and secure mind set people consist of 26.7%, high income group respondents (Income above Rs 60000) are 13.9 %, Low income group(less than Rs60000) are 86.1%, So far as profession is concern, Govt employees are of 42.6% in number, Private are 45.5% and others are 11.9%. The data consists of 40.6% Single and 59.4% married persons.

3. LITERATURE REVIEW

The life style and personality traits are the deeply built character inside human beings, which affect the attitude of any persons towards the situation which come up front. Life style characteristic includes personal ability, confidence level and dependency level. It also refers the fashion conscious, self-confidence and leadership factor which affect the investment decision making process. Nagpal and Bodla (2009) said that the present lifestyle characteristics of the respondents influence the investment preference. Investors' lifestyle plays a predominant role towards the risk taking capacity of the investors. Panjali and Kasilingam (2015) found that the lifestyle characteristics like perfect planning, innovativeness, task oriented, fashion Conscious, self-confidence, leadership, and well-being, inner directed and risk taking affects the activities, interest and opinion of the investors towards investment. Chandra (2008) refers that behavioural factors from which the life style radiate, like greed and fear, cognitive dissonance, heuristics, mental accounting, and anchoring must be taken into account as risk factors while making investment decisions. Shanmughama and Ramyab (2012) rightly explained that social factors like the social interaction and media influence the trading frequency and trading behaviour of individual investor. This social interaction and media are the part of life style characteristics of the investor. Ferreira, Freitas, Nunes, and Giovannini (2014) have also found that the perceived environmental security and the perceived operational competence of individual investors affect the investment

behaviour and affect the risk-taking ability. Barnewall (1987) finds that the individual investors are found lifestyle characteristics, risk aversion, control orientation and occupation which affect their decision relating to investment. Warren et al. (1990) and Rajarajan (2000) predict individual investment choices (e.g., stocks, bonds, real estate) based on lifestyle and demographic attributes.

4. RESULTS & DISCUSSIONS

To identify the major factors of Indian financial product consumers' lifestyle, the explorative factor analysis is adopted on 39 variables which judged the life style characteristics of above said consumers. To analyse the kind of life style of these consumers, the strength of the above said factors has been studied through multiple linear regression model.

4.1 Exploration of major factors of Indian financial consumers' life style

Table-1	Scale Statistics & Reliability Statistics					
Mean	Variance	Std. Deviation	N of Items	Cronbach's Alpha	Cronbach's Alpha Based on Standardized Items	No of Items
159.89	335.678	18.322	47	0.863	0.860	47

The scale (questionnaire) is optimally reliable, i.e. 86% as the Standardised Cronbach's Alpha is 0.860 with 47 items in the structured questionnaire (including 7 demographic variables), referred from the table-1.

Table-2	KMO and Bartlett's Test[a]	
Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		.637
Bartlett's Test of Sphericity	Approx. Chi-Square	1675.126
	df	741
	Sig.	.000
a. Based on correlations		

The sample is adequate by 63% as the KMO statistics is 0.637, which is significant (P=.000) to perform for the multivariate statistical analysis.

12 factors have been extracted from 39 variables through the explorative factor analysis, which explain 69% variance (Cumulative percentage of rotation sum of square loading is 68.699) with varimax rotation and Kaiser normalisation. These factors are named as decision confirmation (6 underlying variables), knowledge based investment (6 underlying variables), investment confidence (5 underlying variables), modern lifestyle requirement (3 underlying variables), reactive investment (3 underlying variables), psychological driven decision (4 underlying variables), planned investment decision (2 underlying variables), financial risk tolerance (4underlying variables), investment

confirmation (2 underlying variables), investment awareness (1 underlying variables), old age investor (1 underlying variables) and liquidity (2 underlying variables).

4.2 influence of factors of life style on present level of satisfaction.

The influence of the 12 factors on the present satisfaction of investors are tested through multiple linear relation model and interpreted as follows.

Table 3		ANOVA				
Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	44.756	12	3.730	6.388	.000[b]
	Residual	51.382	88	.584		
	Total	96.139	100			
a. Dependent Variable: Satisfied with present financial product						
b. Predictors: (Constant), Liquidity, Old age investor, Investment awareness, Investment confirmation, Financial Risk Tolerance, planned decision, Psychological driven decision, Reactive investor, Life style requirement, Investment Confidence, Knowledge based investment, Decision Confirmation						

The significant (P=.000) F statistics (F=6.388) of the table-3 refers that the multiple linear regression model is significantly fitting for the analysis.

Table-4					Model Summary				
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Change Statistics				
					R Square Change	F Change	df1	df2	Sig. F Change
1	.682[a]	.466	.393	.764	.466	6.388	12	88	.000
a. Predictors: (Constant), Liquidity, Old age investor, Investment awareness, Investment confirmation, Financial Risk Tolerance, planned decision, Psychological driven decision, Reactive investor, Life style requirement, Investment Confidence, Knowledge based investment, Decision Confirmation									
b. Dependent Variable: Satisfied with present financial product									

The life style factors (Independent variables) are influencing the present level of satisfaction of Indian financial customers (the dependent variable) by 39% as the significant (P=.000) adjusted R2 is 0.393. Further, there is no hesitation or doubt regarding the above said values as the there is no multi-collinearity, which is reflected from both the VIF values (1.000 all < 2) and tolerance values (1.000 all, closure this value to 1, less is multi-collinearity). Of course, the independent variables here are the extracted factors through the explorative factor analysis.

The major factors that influence the present level of satisfaction of financial consumers are psychology driven decision, investment confidence, investment confirmation, life-style requirements and decision confirmation as the beta

the respective values refers to 0.359, 0.352, 0.268, 0.209 and 0.155, with P values 0.000, 0.000, 0.001, 0.009, and 0.050).

5. MAJOR FINDING

The factors are decision confirmation, knowledge based investment, investment confidence, modern lifestyle requirement, reactive investment, psychological driven decision, planned investment decision, financial risk tolerance, investment confirmation, investment awareness, old age investor and liquidity. Most of the above factors can be logically interpreted that, Indian financial consumers are taking purchase decision on the ground of secured future, which are justified from the characteristics of underlying variables of the respective factors and their factor loadings.
The life style factors (Independent variables) are significantly influencing the present level of satisfaction of Indian financial customers (the dependent variable). The major life-style factors are judged individually and could found that most of them are signifying the future security of the human-being survival in the society. The following finding is holding this discussion.

The strong influential factors towards the present level of satisfaction of financial consumers is psychology driven decision that counts nearly 36% impact, followed by the other influential factors like investment confidence by 35%, investment confirmation by 27%, life-style requirements by 21% and decision confirmation by 15%. These factors ultimately justify that the Indian consumers consider secured life style as the focal dimension for their purchase decision making, especially for the financial product.

7. LIMITATION AND DELIMITATION OF THE STUDY:

The study is limited to only 101 respondents, so better result is possible with larger sample size. With the general multi-variate analysis, the results has been obtains but more sophisticated analytical tools and software can lead to more accurate result. It is a visible limitation that Indian investors do not reveal their realised data as they are reluctant to expose financial information in public so advanced data collection instrument can extract perfectly felt financial decision making.

8. CONCLUSION WITH ORIGINALITY OF THE STUDY

The typical Indian financial consumers' characteristics lies their psychology mainly, specifically the factors like psychology driven decision, investment confidence,

investment confirmation, life-style requirements and decision confirmation of the investors for taking purchase decision of financial products. These factors are proposed to be the dimensions of the secure life-style of the investor, which is the contribution/originality of this study regarding Indian investors along the demographic factors to the existing field of knowledge.

9. REFERENCE:

1. 45% consumers purchase financial products online according to our survey. Here's why. (n.d.). Retrieved October 20, 2017, from http://scroll.in/bulletins/31/45-consumer-purchase-financial-products-online.

2. Barnewall MacGruder M (1988), "Examining the Psychological Traits of Passive and Active Investors", Journal of Financial Planning, available at www.fpanet.org/journals/ articles/1988_issues.

3. Chandra, A.(2008). Decision making in the stock market: Incorporative psychology with Finance. ,National Conference: FFMI 2008 IIT Kharagpur.

4. Ferreira, J.B., Freitas, A.S., Nunes, D.C.G., Giovannini, C.J. (2014). Factors affecting satisfaction in online financial transactions: a study of Brazilian home brokers. RBGN review of business management, São Paulo. Vol. 16, No. 51, pp. 257-276.

5. Nagpal, S. and Bodla, B.S. (2009). Impact of Investors' Lifestyle on Their Investment Pattern: An Empirical Study. The IUP Journal of Behavioral Finance. VI(2), 29-51

6. Panjali N, Kasilingam R. (2015) A study on the impact of investors' life style on their investment behaviour. NBR E-JOURNAL. 1(1) : 1-16

7. Rajarajan V (2000), "Investor"s Lifestyles and Investment Characteristics", Finance India, XIV(2), 465-478.

8. Shanmughama R, Ramyab K. (2012) Impact of Social Factors on Individual Investors' Trading Behaviour, Procedia Economics and Finance. 2nd Annual International Conference on Accounting and Finance. 237-246.

9. Warren, W., Robert, E., Stevens and William, C.M. (1990), "Using Demographic and Lifestyle Analysis to Segment Individual Investors", Financial Analysts Journal, 46(2), 74-77.