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A STUDY ON THE SAVING AND INVESTMENT BEHAVIOUR OF INDIVIDUAL INVESTORS

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Investing money is the process of committing resources in a strategic way to accomplish a specific objective

— Alan Gotthard

Abstract *Investment behaviour is a comparatively new paradigm of finance, which seeks to improve the standard theories of finance by introducing behavioural aspects to the investment decision making process. Investment behaviour of an investor is made up of various components, including purpose of designing portfolio, objective of investment, knowledge about financial market, frequency of investment, type of investor, decision making support, risk attitude, and returns expectation. This study on individual investors' behaviour is an attempt to know the profile of the investor and the characteristics of the investors, and to know their tastes and preferences with respect to their investments or savings. The focus of this study is not only to examine the present status of savings and investment behaviour of people, but also the purpose of the investment or savings. Investment decision making of people is affected by their socio-demographic factors, which includes personality and other demographic variables. The study of investment or savings behaviour shows how cognitive and emotional factors affect the investment decision of an investor, and in particular, how they affect the rationality in decision making. It describes the behaviour of the investors. This study also identified the factors that influence people's decision to save and invest. A questionnaire is distributed to investors in different professions; a total of 250 individual investors agreed to participate in the survey. The main aim of the questionnaire is to examine the savings pattern and investment behaviour of working professionals.*

Keywords: *Investment Pattern, Investor Behaviour, Financial Planning, Investment Strategies, Creation of Wealth, Investment Decision*

INTRODUCTION

Saving is closely related to investment. Saving plays an important role in capital formation. Savings and investments, which are mutually connected, have an important place in a person's life, as decisions related to them help in increasing the wealth of an individual. Amount of investment and wealth that is built throughout the productive career by an individual accounts for their success and failure in life. The economic life of the present generation working professional is governed by income, expenses, savings, and investments. Savings and investment behaviour, and investment decisions of working professionals are affected by their demographics, level of awareness about investments, their expenditure, borrowings, investment behaviour, and goals and risk attitude. Investments are the allocation of money to purchase an asset, expand business, or to earn interest, where the main motive of employing funds is to earn income in the future. Investment is the process of parking your money in such instruments which can earn some interest in future and contribute to future income. The purpose of saving or investment is capital preservation; the purpose of investment is to earn safe and acceptable returns on capital. Investment can include allocation of funds to purchase a fixed asset, expand business, invest in real estate/real assets/commodities/metals, invest in financial instruments that bear interest, and invest in mutual funds and equity stocks. At the business level, investment plays an important role in uplifting the economy. When a business purchases a new asset or constructs it to increase the output level, due to the increase in production, GDP increases, resulting in the economic growth of the country. Therefore, in economic theories, saving or investment is inarguably an invariable factor and its role is prioritised by classical economists like Adam Smith and David Ricardo as a determinant of economic growth.

DISCUSSION ON LITERATURE

Investment behaviour is defined as the way in which the investors judge, predict, analyse, and review the procedures for decision making; this includes investment psychology, information gathering, defining and understanding, and research and analysis (Slovic, 1972; Alfredo & Vicente,

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2010). The key element for selecting investment behaviours, and selection of market or strategy, is the relationship between returns and risks. That is, to select investment targets with good credibility, large company size, high dividends, and high returns (Peng, 2003). Market strategy decides long-term returns, action plans, and resource allocation to reach the goal (Chandler, 1962). The practical viability of the momentum strategy, both pure and volume augmented, from a small investor's point of view, after incorporating all sorts of transaction costs and restrictions, prove that in the Indian stock market, there are costs- and exchange-imposed restrictions, and the pure momentum strategy can be profitably exploited. The Indian market does not seem to recognise or reward medium- or long-term momentum in stock returns (Navdeep, 2017). According to Shefrin (2001), investment behaviour is the study of the impact of psychology on financial decision making, and also the changes in financial decision-making and investor behaviour after participating in investor education programmes (Phillip, 1995). The researchers support the view that sociological and demographic factors are also important to explain investor behaviour (Zhang & Zheng, 2015). Ethical investment is an important part of socially responsible investment (SRI) that is based on investors' ethical beliefs and values (Aggarwal & Gupta, 2015). Investment behaviour is the study of the influence of behaviour psychology of financial practitioners and the subsequent effect on markets (Sewell, 2005). Factor such as safety, liquidity, investment and maturity in cash, satisfying returns, non-disclosure of sources of income, and Permanent Account Number (PAN) influence investments (Deb & Paul, 2015). It documents that a number of issues need to be amended, like allowing tax benefits, reducing maturity tenure, rationalising KYC norms, increasing the rate of returns, providing e-certificate and e-investment, and so on. The study also acknowledges its few limitations. There is a significant relationship between all the predictors and savings behaviour, except motivation of savings construct; ancestral socialisation is the most influencing factor of the savings behaviour of households (Pandu & Sankar, 2019). Analysis of the different factors influencing the decision of the investors has been carried out by Tavakoli (2011). There are many investment alternatives available for investors to secure their savings. It is important to know whether these alternatives used as investment involve many crucial decisions that would affect the rate of returns and also contribute to the economic development. The investment strategies of one investor are quite different from that of another. The motivation of an investor to invest is complex and depends on a number of factors. The present study of investment behaviour shows how cognitive and emotional factors affect the investment decision of an investor, and in particular, how they affect the rationality in decision making. It is not only describing the investor's behaviour, but also studies factors that affect such behaviour.

OBJECTIVES OF THE STUDY

The main objective of the study is to examine the savings pattern and investment behaviour of working professionals; to examine the savings, investment pattern, and investment behavior; and to determine the investment behaviour of investors, investment preferences, and the factors influencing and governing an investor's decision.

RESEARCH METHODOLOGY

The validity of any research is based on the systematic method of data collection and analysis of the data collected. The data, both primary and secondary, is collected to measure the investors' opinions, through an extensive review of literature, and to gain an in-depth understanding of the subject matter of the research. Primary data has been collected personally through face-to-face interactions with the investors. A pilot study has been undertaken to know the accuracy of the questionnaire. After incorporating certain modifications in the questionnaire, convenience sampling method is used for collecting the data from the different investors. The selection of investors from the population was based on their easy availability and accessibility; they comprise government employees, the self-employed, professionals, and other investors from the total sample of 250. They are from different age groups, occupations, income levels, and qualifications, as shown in Table 1. Further, component analysis and ANOVA are used for analysis.

Hypothesis Statements

- There is a significant different between the factors affecting the investment, based on the income levels.
- The parameters influence the saving and investment of their income.

ANALYSIS AND DISCUSSION

Demographic, Socio-Economic Characteristics of the Investors

Investment behaviour of individuals plays an important role in determining the level of investment, risk tolerance, returns expectation, life goals, and so on. Investment decision-making is affected by their demographic, socio-economic factors, which include personality and other demographic variables. Demographic and socio-economic factors are a combination of two words: social and demography. It takes into account all those factors that socially and demographically affect the society as a whole. It refers to a group which is defined by its sociological and demographic

features. These factors study how economic activity affects, and is shaped, by social processes. It includes gender, age, education, occupation and qualification, and income.

Table 1: Demographic Factors

Gender	Male		Female		Others	Total
	155 (62%)		95 (38%)		0	250 (100%)
Age	Below 25 years	26-35 years	36-45 years	46-55 years	More than 55 years	
	25 (10%)	65 (26%)	120 (48%)	30 (12%)	10 (4%)	250 (100%)
Qualification	Illiterate	Intermediate	Graduation	Post-Grad	Professionals	
	10 (4%)	45 (18%)	130 (52%)	25 (10%)	40 (16%)	250 (100%)
Occupation	Traditional Work	Salaried Employee	Business	Professionals	Rtd. Employee	
	10 (4%)	80 (32%)	105 (42%)	50 (20%)	5 (2%)	250 (100%)
Annual Income	Below Rs. 1,50,000	Rs. 1,50,000-Rs. 3,00,000	Rs. 3,00,001-Rs. 4,50,000	Rs. 4,50,001-Rs. 6,00,000	More than Rs. 6,00,000	
	25 (10%)	50 (20%)	125 (50%)	30 (12%)	20 (8%)	250 (100%)

Source: Primary Data.

Table 1 shows that 155 (62%) respondents are men, and the remaining 95 (38%) are women. Normally, men bear the financial responsibility in the Indian society, and therefore, they have to make investment (and other) decisions to fulfill financial obligations.

It is also found from the above table that 90 (36%) are young, and a significant number are below 35. Around 120 (48%) are in the age group 36 to 45 years; 12% are in the age group 46 to 55 years; and the remaining 4% are more than 55 years. It is also noted from the table that there are no investors below the age of 20.

Nearly 42% of the respondents belong to the business class; 32% the salaried class; 20% professionals; and 6% belong to the traditional class (traditional professions) and are retired.

It was found that irrespective of the annual income, people are interested in investments, since today's inflated cost of living is forcing everyone to save for their future needs and invest those saved resources efficiently. Around 130 (52%) of the respondents covered in the study are graduates; 25 (10%) are post-graduates; 45 (18%) under-graduates; 40 (16%) professionals; and 10 (4%) are categorised as others, which includes people who are either illiterate or had less education than under graduation. Around 125 (50%) of the respondents earn between Rs. 3,00,000 and 4,50,000 per annum; 50 (20%) between Rs. 1,50,000 and 3,00,000; 30 (12%) between Rs. 4,50,000 and 6,00,000; and 45 (18%) earn more than six lakhs or less than 1,5,000 per annum. Since most of the respondents have annual earnings of around four lakhs, many of them are non-risk takers.

PURPOSE OF INVESTMENT

The main objective of investment is to earn income in the form of dividend, yields, interest, or profit. Generally, people make investments for a variety of purposes, which includes retirement, children's education, or simply growing the wealth to save for retirement, higher returns, safety, and security of funds, liquidity, stable income, and capital growth.

Table 2: Purpose of Investment

Purpose of Investment	Strongly Agree	Agree	Disagree	Strongly Disagree	Total (N)	Total Weights	Weighted Score	Rank
Children's Education	40 (16%)	115 (46%)	45 (18%)	50 (20%)	250 (100%)	645	64.5	8
Wealth Creation	45 (18%)	125 (50%)	35 (14%)	45 (18%)	251 (100%)	670	67	7
Future Expenditure	48 (19.2%)	135 (54%)	32 (12.8%)	35 (14%)	252 (100%)	696	69.6	5
High Returns	39 (15.6%)	110 (44%)	31 (12.4%)	70 (28%)	253 (100%)	618	61.8	9
Tax Savings	70 (28%)	115 (46%)	28 (11.2%)	37 (14.8%)	254 (100%)	718	71.8	3
Low Risk	62 (24.8%)	128 (51.2%)	20 (8%)	40 (16%)	255 (100%)	712	71.2	4
Cultural Activities	65 (26%)	130 (52%)	22 (8.8%)	33 (13.2%)	256 (100%)	727	72.7	2
Safety and Health	25 (10%)	112 (44.8%)	53 (21.2%)	60 (24%)	257 (100%)	602	60.2	10
Construction of House	76 (30.4%)	135 (54%)	15 (6%)	24 (9.6%)	258 (100%)	763	76.3	1
Retirement Benefits	48 (19.2%)	118 (47.2%)	54 (21.6%)	30 (12%)	259 (100%)	684	68.4	6

Source: Primary Data.

A total of ten parameters are identified to evaluate the purpose of investment of the respondents. They include children's education, wealth creation, future expenditure, high returns, tax savings, low risk, cultural activities, safety and health, construction of house, and retirement benefits. The respondents were asked to rate the purpose on a four-point rating scale, ranging from strongly agree (4) to strongly disagree (1). On the basis of the weighted average ranks are assigned to know which investment is the best alternative to saving. Construction of house and cultural activities are the first two best-chosen investment options. Many investors feel that investing money in the construction of a house is a good option; they are in the age group 36-45. Cultural activities, like children's marriages, is also considered to be a good investment option by the respondents between the ages of 26 and 35, as they are thinking of saving for their children's marriage.

All the investors have a common purpose for investing; they have more than one purpose for investing their money. Salaried people invest for tax savings, and for future expenditure, which are the third and fifth investment options, respectively. Almost all the investors consider the four purposes before investing their money. When the investors are asked about the factors they consider before making investments, many of them have opted for safety of principal and low risk. Fourth rank is given to safety of principal and low risk. Investors believe in the proved principle 'higher the risk, higher the returns; lower the risk, lower the returns'. Investors need to know about this principle before investing. Retirement benefits and wealth creation are ranked sixth and seventh. Children's education is ranked eighth, as many investors feel that investing money for the future of the child's education is more important than any other need. High returns and safety and health are the next alternative investment options. There is a greater need for Indians to save for their healthcare, especially those who lead a mechanical life. Retirement and home purchase are given subsequent ranks, after health care.

Investment Preferences/Options Available

There are many investment options; some of them are marketable, whereas some are not. Some options are more risky, while some are less risky. This depends on how much returns the investor will gain in a particular period of time. It depends on the investors who are risk lovers, and who do not invest in the options or preferences shown in Table 2.

Table 3: Investment Preferences or Options

Parameters	Strongly Agree	Agree	Disagree	Strongly Disagree	Total	Total Weights	Weighted Score	Ranks
Life Insurance	85 (34%)	110 (44%)	35 (14%)	20 (8%)	250 (100%)	760	76	1
Gold	75 (30%)	95 (38%)	45 (18%)	35 (14%)	251 (100%)	710	71	4
FD in Bank	67 (26.8%)	97 (38.8%)	52 (20.8%)	34 (13.6%)	252 (100%)	697	69.7	5
Mutual Funds	69 (27.6%)	95 (38%)	42 (16.8%)	44 (17.6%)	253 (100%)	689	68.9	7
Real Estate	84 (33.6%)	110 (44%)	32 (12.8%)	24 (9.6%)	254 (100%)	754	75.4	2
PO Savings	78 (31.2%)	112 (44.8%)	39 (15.6%)	21 (8.4%)	255 (100%)	747	74.7	3
PPF	57 (22.8%)	113 (45.2%)	49 (19.6%)	31 (12.4%)	256 (100%)	696	69.6	6
BSE/NSE	34 (13.6%)	96 (38.4%)	75 (30%)	45 (18%)	257 (100%)	619	61.9	9
Equity Shares	42 (16.8%)	79 (31.6%)	102 (40.8%)	27 (10.8%)	258 (100%)	636	63.6	8
Savings Accounts	35 (14%)	72 (28.8%)	92 (36.8%)	51 (20.4%)	259 (100%)	591	59.1	12
Chit Funds	29 (11.6%)	69 (27.6%)	98 (39.2%)	54 (21.6%)	260 (100%)	573	57.3	13
Bonds	41 (16.4%)	67 (26.8%)	107 (42.8%)	35 (14%)	261 (100%)	614	61.4	10
Government Securities	33 (13.2%)	78 (31.2%)	94 (37.6%)	45 (18%)	262 (100%)	599	59.9	11

Source: Primary Data.

Table 3 shows the investment preferences or options of the sample respondents; the respondents are given the choice of selecting one or more investment preferences, as there is a chance of one or more answers. As a part of the analysis, the preference for investment avenues is dependent on the occupation of the investor. Hence, preferred investment avenues are derived from the demographics of the sample investor, based on occupation. Weights are given to each variable based on the response given by the respondents. Based on the weights, ranks have been assigned in the order of highest weightage given by respondents.

The preferences of the business people are almost the same as that of salaried people; both prefer life insurance, followed

by investing in real estate. Third preference is given to post office savings as professionals are more interested in post office savings rather than mutual funds, followed by gold. The weighted averages indicate that fixed deposits in banks, PPF, mutual funds, and equity shares occupy the next four positions, that is, the fifth, sixth, seventh, and eighth positions, as both business people and professionals preferred them. As the professionals do not prefer national saving certificates and bonds at all, the next positions are given to BSE/NSE and bonds.

Factors Affecting Investment or Savings

Respondents are generally affected by surety of returns; liquidity; awareness about investments; high returns in future; creation of financial resources; considerations of safety; capital appreciation; risk coverage; overconfidence effect; and investor optimism. In this study, we have asked respondents about the factors that affect their investment behaviour. The data is shown in Table 4.

Table 4: Factors Affecting Investment in India

Factors	Yes	No	Cannot Say
Surety of returns	175 (70%)	43 (17.2%)	32 (12.8%)
Liquidity	187 (74.8%)	45 (18%)	18 (7.2%)
Awareness about investments	145 (58%)	89 (35.6%)	16 (6.4%)
High returns in future	178 (71.2%)	48 (19.2%)	24 (9.6%)
Creation of financial resources	167 (66.8%)	65 (26%)	18 (7.2%)
Considerations of safety	210 (84%)	35 (14%)	5 (2%)
Capital appreciation	195 (78%)	35 (14%)	20 (8%)
Risk coverage	171 (68.4%)	65 (26%)	14 (5.6%)
Overconfidence effect	126 (50.4%)	115 46%)	9 (3.6%)
Investor optimism	189 (75.6%)	54 (21.6%)	7 (2.8%)
Total	69.72%	23.76%	6.52%

Source: Primary Data.

From the table, it is found that more than half of the sample respondents (69.72%) invested their money based on several influencing factors. Around 84% have opined that considerations of safety is the factor that most affects investment behaviour. Capital appreciation (78%), investor's optimism (75.6%), liquidity (74.8%), and high returns in future (71.2%), followed by surety returns, risk coverage, creation of financial resources, awareness about investments, and overconfidence effect, have an effect on investment behaviour. Overall, 69.72% of the respondents have opined that the above mentioned factors are the key factors influencing investment behaviour, whereas 6.5% are uncertain. ANOVA of one-way classification is applied to test the hypothesis that there is no significant difference among the factors affecting investment, based on income levels. This is shown in Table 5.

Table 5: ANOVA Results of Factors Affecting Investment, Based on Income Levels

Factors	Groups	Sum of Squares	df	Mean Square	F	Sig.
Surety of returns	Between Groups	98.004	4	24.501	220.689	0.000
	Within Groups	27.2	245	0.111		
	Total	125.204	249			
Liquidity	Between Groups	77.308	4	19.327	352.106	0.000
	Within Groups	13.448	245	0.055		
	Total	90.756	249			
Awareness about investments	Between Groups	60.436	4	15.109	108.874	0.000
	Within Groups	34	245	0.139		
	Total	94.436	249			
High returns in Future	Between Groups	85.541	4	21.385	242.625	0.000
	Within Groups	21.595	245	0.088		
	Total	107.136	249			
Creation of financial resources	Between Groups	70.108	4	17.527	164.601	0.000
	Within Groups	26.088	245	0.106		
	Total	96.196	249			
Considerations of safety	Between Groups	36.483	4	9.121	214.522	0.000
	Within Groups	10.417	245	0.043		
	Total	46.9	249			

Factors	Groups	Sum of Squares	df	Mean Square	F	Sig.
Capital appreciation	Between Groups	87.7	4	21.925	1119.09	0.000
	Within Groups	4.8	245	0.02		
	Total	92.5	249			
Risk coverage	Between Groups	59.932	4	14.983	138.669	0.000
	Within Groups	26.472	245	0.108		
	Total	86.404	249			
Overconfidence effect	Between Groups	45.102	4	11.276	78.61	0.000
	Within Groups	35.142	245	0.143		
	Total	80.244	249			
Investor optimism	Between Groups	48.922	4	12.231	205.491	0.000
	Within Groups	14.582	245	0.06		
	Total	63.504	249			

Source: Generated from SPSS.

From Table 5, it is observed that all the factors are highly significantly and different. From the test results, it can be concluded that the null hypothesis is not accepted, since the corresponding p-value is 0.000, and degree of freedom is 4 and 245 for between groups and within groups, respectively. Therefore, there is a significant difference in the various factors affecting investments. With reference to the pilot study on respondents, a total of 250 sample observations are taken into consideration. By applying KMO and Bartlett's test, the value obtained is 0.922. Since the value is higher than 0.7000, it is concluded that the variables considered have relatively high internal consistency, as shown in Table 6. Further, to understand which factors really affected the respondents, factor analysis is attempted.

Table 6: KMO and Bartlett's Test

Kaiser-Meyer-Olkin Measure of Sampling Adequacy		.922
Bartlett's Test of Sphericity	Approx. Chi-Square	4463.352
	df	45
	Sig.	.000

Source: Generated from SPSS.

It reveals the existence of only one principal component, which explains about 84.422% of total variance, cumulatively. It was observed that the ten variables – surety of returns, liquidity, awareness about investments, high returns in future, creation of financial resources, considerations of safety, capital appreciation, risk coverage, overconfidence effect, and investor optimism – are loaded on the one component. This component has been labelled investment decisions (Table 7).

Table 7: Total Variance Explained

Component	Initial Eigenvalues			Extraction Sums of Squared Loadings		
	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %
1	8.442	84.422	84.422	8.442	84.422	84.422
Extraction Method: Principal Component Analysis.						

Source: Primary Data.

There are various factors identified which influence the respondents' decisions to save and invest. A total of six parameters that motivate and influence the respondents to save or invest their money are identified. They are: 1. Demographic factors, which include age, gender, income, education, occupation, experience, marital status, family status, family earning status, number of dependents, and upbringing status; 2. Market factors, which are price changes, market information, overreaction to price changes, and customer preferences; 3. Risk-bearing capacity factors, which include considerations of safety, liquidity, capital appreciation, and returns and risk coverage; 4. Lifestyle characteristics, which are personal ability, investment experience, confidence level, and dependency level of investor; 5. Behavioural factors, which include hindsight bias, gamblers' fallacy, and investor's optimism. Emotional factors, which include mental accounting, endowment effect, loss aversion, and regret aversion. Herding factors such as following the habits of other investors (social proof) in buying, selling, choice, and trading of investments; and 6. Other self-image factors, which are personal financial needs, portfolio diversification need, and easy availability of fund whenever needed, and the need to minimise the risk and maximise the returns. These factors are presented in Table 8. The respondents were asked to rate the influence on a four-point rating scale ranging from strongly agree (1) to strongly disagree (4).

Table 8: Factors that Govern an Investor's Decision to Save and Invest

Factors	Strongly Agree	Agree	Disagree	Strongly Disagree
Demographic Factors	58 (23.2%)	43 (17.2%)	120 (48%)	29 (11.6%)
Market Factors	81 (32.4%)	102 (40.8%)	49 (19.6%)	18 (7.2%)
Risk-bearing Capacity Factors	102 (40.8%)	78 (31.2%)	51 (20.4%)	19 (7.6%)
Lifestyle characteristics	72 (28.8%)	87 (34.8%)	53 (21.2%)	38 (15.2%)
Behavioural Factors	97 (38.8%)	85 (34%)	45 (18%)	23 (9.2%)
Self-image Factors	55 (22%)	65 (26%)	102 (40.8%)	28 (11.2%)

Source: Primary Data.

From Table 8, it is found that a majority of the respondents (73.2%) felt that factors such as price changes, market information, overreaction to price changes, and the preferences of the customers involved in the market greatly influence the individual's decision to invest. Further, it is identified from the table that behavioural factors (72.8%), risk-bearing capacity factors (72%), and lifestyle characteristics (63.6%) also influence their decisions to save and invest. It is interesting to know that 48% of the respondents are influenced by self-image (48%), followed by demographic factors (40.4%); the remaining were not influenced. Further, ANOVA of one-way classification is applied to test the hypothesis that the parameters influence saving and investment of their income.

Table 9: ANOVA of One-Way Classification

Investors' Decision	Sum of Squares	df	Mean Square	F	Sig.
Between Groups	198.288	4	49.572	318.670	.000
Within Groups	38.112	245	.156		
Total	236.400	249			

Source: Generated from SPSS.

The test result has proven that the null hypothesis is not accepted, as F-value is 318.670 and the corresponding p-value is 0.000; the degree of freedom is 4 and 245 for between groups and within groups, respectively. Hence, it is concluded that there is a significant difference in rating on influencing factors on saving and investment on the basis of income levels.

CONCLUSIONS

Investment is the sacrifice of a certain present value for an uncertain future reward. Savings and investment behaviour is a subject of economic and social importance. The present study has explored the savings and investment behaviour, investment pattern, investors' preferences or options, factors affecting investments, and factors that govern an investor's decision on investment. The results of the study show that demographic, socio-economic variables like gender, age, education, occupation, income levels, awareness of investments options, purpose of investment, and choice of investment instruments have an impact on the savings and investment behaviour of the respondents. It is observed that 120 (48%) are in the age group 36 to 45 years. It is also found from the study that construction of house and cultural activities are the first two best-chosen investment options by investors in the age group 36-45. Further, it is noted that investors, including business people and salaried people, are similar in nature in choosing investment options, investing in life insurance, real estate, post office savings, and fixed deposits in banks, PPF, mutual funds, and equity shares. More than half of the sample respondents (84%) have opined that considerations of safety is the factor that most affects investment behaviour. Price changes, market information, over reaction to price changes, and customer preferences of those involved in the market greatly influence the individual's decision to invest. Further, it is scientifically proved by applying factor analysis and ANOVA that there is a significant difference in the various factors affecting or influencing the investments and investors' income levels. The study proves that investors are irrational in their investment decision-making. There are various factors identified which influence their decisions to save and invest. Around 73.2% of the respondents felt that factors such as price changes, market information, over reaction to price changes, customer preferences of those involved in the market greatly influenced the individual's decision to invest. Further, it is identified from the table that behavioural factors (72.8%), risk-bearing factors (72%), and lifestyle characteristics (63.6%) influence their decisions to save and invest. Around 48% of the respondents are influenced by self-image. It is proved by applying the ANOVA test that there are significant difference parameters that influenced saving and investment behaviour of the respondents.

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