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## Investment behaviour of NRIS with special reference to Payyanur municipality

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### Abstract

Investments are sums of money that are committed now in the hope of earning a profit later on. The real strength of Kerala and a treasure to our nation are non-resident Indians. Since independence, there has been a significant rise in the number of persons looking for employment and better opportunities abroad. Every aspect of Kerala's economy and society has been impacted by this exodus. Depending on their financial situation and time horizon, NRIs might invest in a variety of ways. The research study used a sample of 60 NRIs from Payyanur Municipality for its execution. A questionnaire was used to gather the information from respondents. Descriptive research design was chosen. Statistical methods like the t-test and ANOVA were used to analyze the data. According to the study's findings, there is not a significant relationship between respondents' demographic characteristics and their level of awareness of various investment avenues.

**Keywords:** Behavior, Investment, Investment avenues, Non Resident Indians.

### Introduction

Investments are sums of money that are committed now with the hope of earning a profit later on. The range of investments available now is rather broad. There are several different investment options available, including equity shares, mutual funds, public provident funds, bank deposits/ FDs, gold/silver, insurance, real estate, and national pension plans. The safest and most popular investments among all types of investments are bank deposits and Public Provident funds, whereas equity investments are proportionally the most profitable. India's economies have been performing really well lately.

The real strength of Kerala and a treasure to our nation are non-resident Indians. Since independence, there has been a significant rise in the number of persons looking for employment and better opportunities abroad. Every aspect of Kerala's economy and society has been impacted by this exodus. Depending on their financial situation and time horizon, NRIs might invest in a variety of ways. Savings serve as a catalyst for the development of the nation by being invested in a variety of opportunities accessible to the population. The financial landscape in India also presents a plethora of options to investors. The market offers decent investing options for the typical investor, while not being the greatest or deepest in the world. In addition to establishing a clear life purpose and making plans for an unknown future, one must invest in and generate a return on idle resources.

This study helps us better understand non-resident Indian investors' spending habits as well as how each person views various investment options. It also makes an effort to shed light on crucial factors to take into account while making financial decisions. The purpose of the study is to gauge NRI investors' knowledge of and satisfaction with the range of financial products available on the Indian market.

### Statement of the Problem

With a focus on NRIs in the Payyanur Municipality, the specific issue was chosen to investigate investor attitudes and comprehension of investment opportunities available in India. As the backbone of our economy, NRI investments must be utilized to their fullest extent on a national level. It is questionable, though, whether NRI investments have given investors enough performance and return. Due to their infrequent visits—usually once a year—NRIs are unaware of and undereducated about a wide range of investment

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opportunities. When people decide to invest, the main issue arises from the lack of a suitable financial counselor to guide the investors in accordance with their preferences. Their attitudes toward investments are influenced by a variety of external circumstances. An NRI who invests acknowledges the possibility of losing their hard-earned money. NRIS needs to comprehend the investment prospects available in India better as a result. Finding out what kinds of investment plans investors want is also essential, which is where the study comes in.

**Objectives of the study**

- To study the awareness level of investors towards various investment avenues.
- To examine the satisfaction level of investors towards various investment avenues.

**Hypothesis of the study**

**H01:** There is no significant difference between gender and awareness level toward various investment avenues

**H02:** There is no significant difference between gender and satisfaction level toward various investment avenues

**H03:** There is no significant difference between the age of the respondents and awareness level towards various investment avenues

**H04:** There is no significant difference between the qualification of the respondents and the awareness level of respondents towards various investment avenues

**H05:** There is no significant difference between the occupation of the respondents and the awareness level of respondents toward various investment avenues

**H06:** There is no significant difference between the age of the respondents and the satisfaction level of respondents toward various investment avenues

**H07:** There is no significant difference between the qualification of the respondents and the satisfaction level of respondents towards various investment avenues

**H08:** There is no significant difference between the occupation of the respondents and the satisfaction level of respondents towards various investment avenues

**Research methodology of the study**

The study's secondary data came from studies, books, periodicals, newspapers, and websites that had already been published. Respondent information was gathered using a questionnaire that had been pretested. In Payyannur Municipality, 60 NRIs were conveniently chosen and given questionnaires. All the questionnaires were duly filled and returned, and incomplete and inaccurate responses were dropped out, so it helps in the proper analysis and interpretation of the study.

A convenience sampling method was used to draw the samples from the population. The percentage analysis, t-test, and ANOVA are used to analyze the collected data.

**Limitations of the study**

- The study shall be limited to NRIs with special reference to Payyannur Municipality.
- Most of the respondents were busy with their work, so the accuracy of the data collected may not be guaranteed cent percent.

**Analysis and interpretation**

**Table 1:** Demographic profile of the respondents

Variables	Age	No. of respondents	Percentage (%)
Age	Below 25	6	10
	25-35	14	23.3
	35-45	26	43.3
	Above 45	14	23.3
Gender	Male	41	68.3
	Female	19	31.7
Marital Status	Married	46	76.7
	Unmarried	14	23.3
Educational Qualification	Under Graduate	12	20
	Graduate	27	45
	Post Graduate	21	35
Occupation	Professional	35	58.3
	Business	10	16.7
	Skilled Worker	12	20
	Retired	3	5
Income	Below 200000	9	15
	200000-400000	12	20
	400000-600000	14	23.3
	Above 600000	25	41.7

Source: Computed from Primary Data

Table 1, shows the demographic profile of the respondents. The majority of the respondents (43.3%) belong to the age category of 35-45 years. Most of the respondents (68.3%) are male. It is evident from the table that married people (76.6%) invest more compared to unmarried people. The table reveals that 58.3% of the respondents are professionals. Also, majorities (45%) of the respondents are graduates and 41.7% of the respondents come under the income category of Above 6, 00,000 rupees.

**Table 2:** Awareness level of gender towards various investment avenues

Factors	N	t	D.f	Sig (2-tailed)
Gender × Awareness level towards various investment avenues	60	-1.313	38.563	.197

Source: Computed from Primary Data

\*5% level of significance

**Independent t -test**

**Ho:** There is no significant difference between gender and awareness level towards various investment avenues

An Independent t-test was applied to test the significant difference between the mean scores of male and female respondents' awareness levels towards various investment avenues. The calculated 't' value and P value for the investment avenues are t = -1313 and P = 0.197. Hence the null hypothesis is accepted. So there is no significant difference between gender and awareness level toward various investment avenues.

**Table 3:** Satisfaction level of gender towards various investment avenues

Factors	N	t	Df	Sig (2-tailed)
Gender × Satisfaction level towards Various investment avenues	60	.171	29.460	.865

Source: Computed from Primary Data

\*5% level of significance

**Independent T Test**

**Ho:** There is no significant difference between gender and satisfaction level towards various investment avenues

An Independent t-Test was applied to test the significant difference between the mean scores of male and female respondents' satisfaction levels towards various investment avenues. The calculated 't' value and P value for the investment avenues are  $t = 0.171$  and  $P = 0.865$ . Hence the null hypothesis is accepted. So there is no significant difference between gender and satisfaction level toward various investment avenues

**Table 4:** Difference in opinion between age of the respondents and awareness level towards various investment avenues – ANOVA

	Sum of Squares	Df	Mean Square	F	Sig.
Between Groups	2.429	3	.810	1.344	.269
Within Groups	33.727	56	.602		
Total	36.156	59			

Source: Computed from Primary Data

**Ho:** There is no significant difference between the age of the respondents and their awareness level toward various investment avenues

The above table reveals the result of one-way ANOVA applied to find whether mean scores vary according to the age group of the respondents on the awareness level of various investment avenues. The calculated P value for the awareness level of respondents towards various investment avenues shows that there is no significant difference between the age groups of the respondents since the p-value is greater than 0.05. Hence null hypothesis is accepted.

**Table 5:** Difference in opinion between qualification of respondents and awareness level of respondents towards various investment avenues – ANOVA

	Sum of Squares	Df	Mean Square	F	Sig.
Between Groups	3.228	2	1.614	2.794	.070
Within Groups	32.928	57	.578		
Total	36.156	59			

Source: Computed from Primary Data

**Ho:** There is no significant difference between the qualification of respondents and the awareness level of respondents towards various investment avenues

The above table reveals the result of one-way ANOVA applied to find whether mean scores vary according to the qualification of the respondents on the awareness level of various investment avenues. The calculated P value for the awareness level of respondents towards various investment avenues shows that there is no significant difference between the qualifications of the respondents since the p-value is greater than 0.05. Hence null hypothesis is accepted.

**Table 6:** Difference in opinion between occupation of the respondents and awareness level of respondents towards various investment avenues –ANOVA

	Sum of Squares	Df	Mean Square	F	Sig.
Between Groups	5.216	3	1.739	3.147	.032
Within Groups	30.940	56	.552		
Total	36.156	59			

Source: Computed from Primary Data

**Ho:** There is no significant difference between the occupation of the respondents and the awareness level of respondents toward various investment avenues

The above table reveals the result of one-way ANOVA applied to find whether mean scores vary according to the occupation of the respondents on the awareness level of various investment avenues. The calculated P value for the awareness level of respondents towards various investment avenues shows that there is a significant difference between the occupations of the respondents since the p-value is less than 0.05. Hence null hypothesis is rejected.

**Table 7:** Difference in opinion between age of the respondents and satisfaction level of respondents towards various investment avenues –ANOVA

	Sum of Squares	Df	Mean Square	F	Sig.
Between Groups	.191	3	.064	.410	.746
Within Groups	8.709	56	.156		
Total	8.900	59			

Source: Computed from Primary Data

**Ho:** There is no significant difference between the age of the respondents and the satisfaction level of respondents toward various investment avenues

The above table reveals the result of one-way ANOVA applied to find whether mean scores vary according to the age group of the respondents on the satisfaction level of various investment avenues. The calculated P value for the satisfaction level of respondents towards various investment avenues shows that there is no significant difference between the age groups of the respondents since the p-value is greater than 0.05. Hence null hypothesis is accepted.

**Table 8:** Difference in opinion between qualification of the respondents and satisfaction level of respondents towards various investment avenues –ANOVA

	Sum of Squares	Df	Mean Square	F	Sig.
Between Groups	.233	2	.116	.765	.470
Within Groups	8.668	57	.152		
Total	8.900	59			

Source: Computed from Primary Data

**Ho:** There is no significant difference between the qualification of the respondents and the satisfaction level of respondents towards various investment avenues

The above table reveals the result of one-way ANOVA applied to find whether mean scores vary according to the qualification of the respondents on the satisfaction level of various investment avenues. The calculated P value for the satisfaction level of respondents towards various investment avenues shows that there is no significant difference between the qualifications of the respondents since the p-value is greater than 0.05. Hence null hypothesis is accepted.

**Table 9:** Difference in opinion between occupation of the respondents and satisfaction level of respondents towards various investment avenues –ANOVA

	Sum of Squares	Df	Mean Square	F	Sig.
Between Groups	.676	3	.225	1.533	.216
Within Groups	8.225	56	.147		
Total	8.900	59			

Source: Computed from Primary Data

**Ho:** There is no significant difference between the occupation of the respondents and the satisfaction level of respondents towards various investment avenues

The above table reveals the result of one-way ANOVA applied to find whether mean scores vary according to the occupation of the respondents on the satisfaction level of various investment avenues. The calculated P value for the awareness level of respondents towards various investment avenues shows that there is no significant difference between the occupations of the respondents since the p-value is greater than 0.05. Hence null hypothesis is accepted.

### Findings

- There is no significant difference between gender and awareness level towards various investment avenues.
- There is no significant difference between gender and satisfaction level towards various investment avenues.
- There is no significant difference between the age of the respondents and their awareness level towards various investment avenues.
- There is no significant difference between the qualification of the respondents and the awareness level of respondents towards various investment avenues.
- There is a significant difference between the occupation of the respondents and the awareness level of respondents towards various investment avenues.
- There is no significant difference between the age of the respondents and the satisfaction level of respondents towards various investment avenues.
- There is no significant difference between the qualification of the respondents and the satisfaction level of respondents towards various investment avenues.
- There is no significant difference between the occupation of the respondents and the satisfaction level of respondents towards various investment avenues.

### Suggestions

- Provide more detailed information to NRIs about investment alternatives because they are not frequent visitors to their home country.
- Most investors are risk averters because of a lack of knowledge about different investment avenues and the

advantage of diversification. Hence banks and financial agencies should try to educate the NRIs about diversification and the golden rule of the higher the risk, the higher the return.

### Conclusion

In order to understand their perspectives about and impressions of the various investing possibilities available back home, the study polled 60 NRIs. The study's numerous findings also helped by providing some helpful data on investment patterns, preferences, and priorities. The paper claims that investors' investments in life insurance, gold, and bank savings reflect their greater demand for security. Investors are looking for investment opportunities that will enable them to generate a steady income while averting the possibility of losing money.

Individual investors continue to favor financial investments that offer risk-free returns. This demonstrates that Indian investors, although having high incomes, good educations, secure jobs, and independence, are cautious and prefer to take safe bets. Investors that are tolerant of little risk can be catered to by investment product creators. The survey was useful in analyzing the investors' knowledge of the many investment options available to them. It became clear from the study that the investors are not fully informed of their possibilities. As a result, raising awareness and educating NRIs about the investment options in which they might invest will benefit both the individual and the nation as a whole.

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