A study on reach of Investment Awareness programmes organized by E-Governance Services over social media

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Abstract—Recent past there are different fraudulent scams reported with respect to various investments. To have a sound investment portfolio there is a need for knowledge, information around the investment process, risk spread, returns etc. The nous of investment awareness of the investors is formed, stormed, normed and gets into performed mode by various external social mediums like print, electronic media, investment professionals and associates. It is essential that investment awareness program needs effectiveness and reach by e-governance services so that investors are cognizant of the investment product features and risk areas. Also the study results as Electronic Medias like TV, Radio and Internet is the vital catalyst in spreading awareness among individual investors belonging to Software/IT/ITES profession in Chennai, India.

Keywords—Investment Awareness, Social Media, E-Governance Services

I. INTRODUCTION

Investment is defined as accumulating money into an asset with the expectation of capital appreciation, dividends, and/or interest earnings. Investors invest in direct or indirect investment. Investment is an art & a science having rules & regulations. It requires thorough knowledge & practical experience to assist one in choosing what is better among the various available investment opportunities in the market. To have a sound investment portfolio there is a need for knowledge, information around the investment process, risk spread, returns etc. This awareness is a continuous process and would be learnt from the market as they stick to it but that would be costly to learn in a hard way with making losses. India’s e-governance services, apex Reserve Bank of India with other regulators like Security and Exchange Board of India (SEBI), Insurance Regulatory of India (IRDA) and National Stock Exchange (NSE) have been organizing various investment awareness programs to spread the awareness and knowledge regarding investments. The motivation for this study is to depict the effectiveness, reach and role of external social mediums like Agents, Brokers, Consultants, Media in of investment awareness programmes organized by e-governance services among investor belonging to Software/IT/ITES profession in Chennai, India. This study aims at measuring the role of social mediums that spread awareness among investors.

II. IMPORTANCE OF THE STUDY

Investment decisions are highly influenced by the awareness they have on investments. External mediums like Print media (News Paper, Magazine, Journals), Electronic media (TV, Radio, Internet), Investment Professionals (Experts, Investment Consultants, Brokers and Agents) and Associates (Relatives, Friends and Colleagues) play a catalyst role in spreading investment awareness directly or indirectly. Awareness on Investments is highly dependent on these mediums apart from self-wisdom. Cognizing the awareness level would assist to increase the awareness by Government, Financial Institutions and intermediaries.

III. LITERATURE REVIEW

Barbara Wanyana, Isaac Nkote Nabeta and Joseph Ntayi (2011) showed that this component of Investor Awareness constituted 18.355% of the Investor Awareness variable. This implies that most investors on the stock market rely more on information from social learning and peers. There should be improvement in the awareness of stock market activities in Uganda. Individuals should be made financially aware and taught about the stock market activities and its role. This calls for holding more awareness programs which should evenly be distributed to all districts rather than centralized. In order to make trading on the stock market un-biased, investors should be enlightened on the various listed companies and the products they are trading. This calls for better financial awareness through having more credible financial intermediaries hence reducing on the predictive skills of investors leading to a more rational market.

Kweigiya Albert, Amponsah and K.F Darkwah (2011) revealed that, there was about 68% likelihood of financial awareness among the sampled respondents in the study area. In other words, the likelihood of financial unawareness among sampled respondents in the study area was 32%. Also, the study found that, the married are less than 33 times likely to be financially literate than singles, holding all other variables in the empirical model constant. The implication is that, with the sample evidence at hand, financial awareness among singles is greater than among the married. Again, the study discovered
that, staff members of age 20-35 years are more than 9 times likely to be financially literate than staff members above 55 years, holding all other variables in the empirical model constant. The implication is that, financial awareness among the youth is greater than among the aged according to the sample evidence for the study.

Sudarshan Kadariva, Phul Prasad Subedi, Bharathi Joshi and Ram Prasad Nyaupane (2012) observed that equity investors are aware and their level of awareness is high compared to desired level and fully aware equity investors have more chances of holding high volume of equity investment. It also shows that there is problem to access information for equity investors in secondary market. The investor awareness level found to be affected by the related work experience, understanding of investment environment, learning expectation and access to market information. Equity investors in secondary market are not satisfied with the available source of information and efforts of information disseminating mechanism.

Prathap G and Rajamohan. M. (2013) found that mostly the investors have high level awareness and positive approach towards investing in Mutual Fund. It was also found that there is no significant association between the personal variables of respondents (such as age, gender, marital status, educational qualification, occupation, size of family, monthly income) and their awareness level on mutual fund investments.

Deerajen Ramaswamy, Savila Thapermall, S. Anoop Dowlut and Mootooganagen Ramen (2013) evidenced that the awareness level of financial literacy among management students at the University of Mauritius is at a satisfactory level. It was also found that there is no significant associations were obtained between age group, gender and program of study and level of knowledge and skills of financial literacy, the level of importance they attach to financial literacy, their perceptions on theories of financial literacy.

The Economic Times(2013) showed that the Corporate Affairs Ministry is organizing various investor awareness programmes in different parts of the country, amid rising instances of fraudulent investment schemes. For the purpose of investor awareness programmes, including in rural areas, the Ministry has engaged the services of CSC e-Governance Services India. In recent months the Ministry has conducted many such programmes in collaboration with this agency in rural areas of Uttar Pradesh, Rajasthan and Punjab.

Uma Maheswari. S. and Ashok Kumar. M. (2014) found that the sense of awareness and the attitude for investment is created modified and shaped up by various external sources. The print and electronic media such as the dailies, weeklies, television, radio and personal contact with friends, relatives, and investment consultants would contribute a lot in creating awareness among investors. It was also evidenced that Gender, Age slab and Marital Status has no significant relationship with Investment Awareness of Investors Residential Status, Employment, Income Scale and Investment has significant relationship with Investment Awareness of Investors.

Uma Maheswari. S and Ashok Kumar. M. (2014) has observed that there is a 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, marital status, monthly income, monthly investments. Number of dependents, education and occupation has been found influencing the attitude of investors towards investment is significant leaving no impact and relationship due to the place of residence, monthly expenses and number of earning members in the family.

Puneet Bhushan (2014) found that respondents are quite aware about traditional and safe financial products whereas awareness level of new age financial products among the population is low. Majority of the respondents park their money in traditional and safe investment avenues. Overall results suggest that people must be made more aware about new investment opportunities available in the market. They must be properly educated about new financial products available in the market, so that they can get advantage of earning higher returns. Moreover they will not get cheated by sales personnel as they will have knowledge regarding the charges levied by a company selling financial products and they will invest in financial products only after weighing risk return characteristics of the financial products.

IV. OBJECTIVE & SCOPE

The Objective of the study focuses on analyzing the Investment Level of Awareness of IT/ITES/Software professionals in Chennai, India. The major objectives of this study are:

- To explore the effectiveness, reach and role of external social mediums like Agents, Brokers, Consultants, Media in investment awareness programmes organized by e-governance services among investor belonging to Software/IT/ITES profession in Chennai, India

V. RESEARCH METHODOLOGY

The methodology adopted for this study is survey research methodology. Based on literature review and identified gaps in the related areas a survey instrument, questionnaire was created to capture the effectiveness, reach and role of external social mediums like Agents, Brokers, Consultants, Media in investment awareness programmes organized by e-governance services. Pilot study was conducted to test the reliability and validity of the questionnaire with the data collected from 60 respondents. After pilot testing, questions in the questionnaire with the lesser reliability value were removed. Baseline questionnaire was circulated to the individual investors of age varying from 23 to 57 years belonging to Software/IT/ITES profession in Chennai city part of various Information Technology Organizations

VI. RESEARCH POPULATION AND SAMPLE

The methodology adopted for this research is “Descriptive Survey”, to measure the level of awareness that investors have on investments. The methodology is been chosen so as it is the best way for exploring the awareness of the investor on investment and role of external social mediums in spreading awareness. Population considered for this are the active individual investors working in the IT/ITES/Software industry at various levels in Chennai city, India.
Data has been collected from primary sources by means of survey method through questionnaires. The whole population is the total number of IT professionals in Chennai. The sampling method adopted here is Convenience non-probabilistic sampling and the sample size is 573. The samples are stratified based on income levels and various other factors of the population and the proportion of the population is obtained from some of the related surveys of the various income categories of IT professionals.

VII. SURVEY INSTRUMENT

A five page questionnaire consisting of two sections was developed. First section concentrated on demographic information and the second section deals with the five-point Likert rating scale having five different ratings/weightage. Never useful (1), Partially useful (2), Occasionally useful (3), Generally useful (4) and Almost always useful (5) being rated by the investors to know the effectiveness, reach and role of external social mediums like Agents, Brokers, Consultants, Media in investment awareness programmes organized by e-governance services. The fieldwork was done by means of personal interviews and also through e-Mails to get the questionnaire filled by professionals in 33 IT organizations in Chennai, India.

VIII. PILOT STUDY

Pilot study was done with the data collected from 60 individual investors belonging to IT/ITES/Software profession in Chennai, India to test the reliability & validity of the survey instrument. Preliminary analysis of the pilot data had shown that the respondents who filled the questionnaire were generally happy with the questions, length of questions asked in the questionnaire. Few changes were made to the subscale statements to improve clarity of the presentation and to make the responses more objective than keeping it subjective. To ensure the degree of objectivity and high quality in the survey data, the respondents were personally interviewed to verify the accuracy and integrity of the collected data. Below were the recommendations/ impressions from the pilot study:

- The reliability looks decent for all the broader sections
- Lower reliability variables needs to be deleted for few questions
- The variables in Section 1 are too many, so should plan to split the variables in to factors before proceeding main study

Above recommendations were accommodated in the base lined questionnaire used for further data collection.

IX. DATA ANALYSIS & INTERPRETATION

The data gathered from the survey was scored and entered in the system for analysis by the SAS 5.1 software.

A. Data Collection Procedure & Respondent Characeristics

Questionnaire has been shared with 680 individual investors belonging to IT/ITES/Software profession in Chennai. Data collection is done by sharing the questionnaire thru e-mail and personal interviews. Out of the 680 questionnaires distributed for response, 79 questionnaire response were returned, representing a response rate of 88% but out of this 28 questionnaire response were not considered for research since some of them are not properly filled. So the final ratios of forms which are considered for research are 84%, which is considered as an acceptable level of response rate in the type of research.

B. Reliability of Scale

In order to validate the reliability of the questionnaire, the Cronbach (1981) alpha coefficients for the questionnaire and the five ranking point subscales were calculated. It is evidenced that values given in section 2 were found to have a mean value ranging from 3.21 (Part 1) and 3.13 (Part 2) in the Likert Point scale, where a value of 3 is regarded as neutral point. This indicates that ratings from the respondents tend to lie on the positive side of the rating scale. Furthermore, the standard deviations were found to range from 0.83 (Part 1) and 0.87 (Part 2) indicating a relatively high degree of consensus among the respondents in their perception of the rating the variables in the questionnaire.

C. Effectiveness of external social mediums in investment awareness programmes organized by E-Governance services

External social mediums like Print media (News Paper, Magazine, Journals), Electronic media (TV, Radio, Internet), Investment Professionals (Experts, Investment Consultants, Brokers, Agents) and Associates (Relatives, Friends and Colleagues) were rated by investors to know the effectiveness, reach & role in investment awareness programmes organized by e-governance services and its assessment has been as below tables. With the initial assessment, more than 50% of the investors have found Electronic media (TV, Radio, Internet) in media (51.8%), Experts opinion in Investment Professionals (50.3%) and Friends & Colleagues in Associates (50.3%) as effective in investment awareness programmes organized by e-governance services. Rest of mediums such as Investment professionals (23.7%) like Brokers/Agents and Investment Consultants seems less effective in investment awareness programmes organized by e-governance services.

<table>
<thead>
<tr>
<th>TABLE I. EFFECTIVENESS OF EXTERNAL SOCIAL MEDIUMS</th>
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<tbody>
<tr>
<td>Mediums</td>
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<tr>
<td>---------</td>
</tr>
<tr>
<td>N</td>
</tr>
<tr>
<td>News Paper</td>
</tr>
<tr>
<td>TV/Radio/Internet</td>
</tr>
<tr>
<td>Friends &amp; Colleagues</td>
</tr>
<tr>
<td>Relatives</td>
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<tr>
<td>Investment Consultants</td>
</tr>
<tr>
<td>Brokers &amp; Agents</td>
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<tr>
<td>Magazine/Journals</td>
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<tr>
<td>Expert opinion</td>
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TABLE II. USEFULNESS OF EXTERNAL SOCIAL MEDIANS

<table>
<thead>
<tr>
<th>External Medians</th>
<th>Effectiveness</th>
<th>Frequency</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Print Media</td>
<td>Highly Useful</td>
<td>256</td>
<td>44.6 %</td>
</tr>
<tr>
<td></td>
<td>Moderately Useful</td>
<td>213</td>
<td>37.3 %</td>
</tr>
<tr>
<td></td>
<td>Less Useful</td>
<td>104</td>
<td>18.1 %</td>
</tr>
<tr>
<td>Electronic Media</td>
<td>Highly Useful</td>
<td>297</td>
<td>51.8 %</td>
</tr>
<tr>
<td></td>
<td>Moderately Useful</td>
<td>166</td>
<td>29.0 %</td>
</tr>
<tr>
<td></td>
<td>Less Useful</td>
<td>110</td>
<td>19.2 %</td>
</tr>
<tr>
<td>Associates</td>
<td>Highly Useful</td>
<td>279</td>
<td>48.7 %</td>
</tr>
<tr>
<td></td>
<td>Moderately Useful</td>
<td>195</td>
<td>34.0 %</td>
</tr>
<tr>
<td></td>
<td>Less Useful</td>
<td>99</td>
<td>17.3 %</td>
</tr>
<tr>
<td>Investment Professionals</td>
<td>Highly Useful</td>
<td>224</td>
<td>39.1 %</td>
</tr>
<tr>
<td></td>
<td>Moderately Useful</td>
<td>213</td>
<td>37.2 %</td>
</tr>
<tr>
<td></td>
<td>Less Useful</td>
<td>136</td>
<td>23.7 %</td>
</tr>
</tbody>
</table>

Table above shows usefulness of the external mediums in investment awareness programmes organized by e-governance services. Investors have rated Electronic Medias (51.8%) like TV, Radio and Internet as highly useful.

Rationale:
Highly Useful = Value more than (Mean value + Standard Deviation)
Moderately Useful = Value between (Mean value - Standard Deviation) and (Mean value + Standard Deviation)
Less Useful = Value less than (Mean value - Standard Deviation)

X. RESULTS AND DISCUSSION
It has been observed that Electronic Medias (51.8%) like TV, Radio and Internet are highly effective, useful and play a major role in investment awareness programmes organized by e-governance services, and Investment professionals (23.7%) like Brokers/Agents, Investment Consultants are less effective, less useful and play a minor role in investment awareness programmes organized by e-governance services to the individual investors belonging to IT/ITES/Software profession in Chennai, India

XI. LIMITATIONS & FUTURE SCOPE
Some of the Limitations of this study are as follows.
- This study focuses only on the salaried group working in IT/ITES/Profession. This doesn’t focus on salaried group of professionals in other industries or entrepreneurs in IT industry which can be focused for future research to assess the effectiveness
- This study has limited the study area only to Chennai city. It can be further extended to other metropolitan cities over the country to form a national level awareness program
- There is a possibility of getting varied / poor responses depending on the respondent’s level of conceptualization and transparency to accept the literacy and awareness level

XII. CONCLUSIONS AND RECOMMENDATIONS
Further to the scope of study, Print Medias, Investment Professionals and Associates can look at increasing contribution towards spreading awareness and channelize the investment decisions. Investment Awareness does not only help in increasing the investments but also help in investors being prudent enough to understand fraudulent and/or risky nature of some investment avenues. As the research population spends more of their time with computers and internet, digitalization of awareness programs can help spread more awareness. Study concludes that the investors have a fair level of awareness towards investment and external mediums needs to take additional steps to get this fair level of awareness to high level. Conclusion of this study leaves with the following recommendations and thought process to government, Financial Regulators & Financial Institutions:
- Considering the increase of frequency on the awareness programs, seminars, workshops, trainings and campaigns and revisiting its content or coverage
- To include the introductory sessions related to investment awareness in the academic curriculum so that root is soiled with proper fertilizers
- As we find the electronic media being a very good catalyst and source of information for investment decision making, training organizers can publish podcasts, training portals, mobile apps to spread awareness among investors
- To channelize the Investment Professionals to be instrumental in spreading awareness among investors apart from profit booking

References


