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A Study on Digital Investment in Belagavi City of Karnataka, India

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Abstract - *In India, investors are slowly moving from traditional method of investment to Digital investment. Digital investment is having its own advantages and disadvantages. The Investors in metropolitan cities of India are increasingly adopting digital investment methods. The study is conducted to find out awareness level about Digital Investment Tools and to investigate utilization of Digital Investment Tools. The study reveals that majority of investors invested in financial securities for the purpose of wealth accumulation and earning high return on investment. 18% of Investors are aware about Digital Investment Tools. Majority of them were using traditional tools for investment/trading purpose. Only 12 percent of investors are using Digital Investment Tools. Researcher has suggested organising Awareness Programme to create awareness about Digital Investment Tools.*

***Key Words*:** *Digital Investment, Investors, Electronic Fund Transfers, Portfolio Management Tools.*

1. INTRODUCTION

Digital investment refers to using electronic communication tools and technology to Invest, buy, sell, and manage investments. In India, investors are slowly moving from traditional method of investment to Digital investment. Digital investment is having its own advantages and disadvantages. The Investors in metropolitan cities of India are increasingly adopting digital investment methods. This trend is influenced by factors such as rise in digital infrastructure, convenience, cost advantages, and growing awareness about digital investment platforms. In the back drop of this, the researcher has undertaken the above study.

2. Objectives of the Study

1) To find out awareness level about Digital Investment Tools
2) To investigate utilization of Digital Investment Tools
3) To examination reasons for utilization of Digital Investment

3. Review of Literature:

Ayush Pandey, Durgesh Kumar Patel and others have made an attempt to explore how investors' awareness of and investment decision-making processes are impacted by digital banking. According to Researchers, the digital banking has made the significant impact on raising the investors' awareness and influencing their investing choices. P. Dhanya and Harshine have made an attempt to examine investor perception of the Groww app in Coimbatore, focusing on factors such as security, usability, awareness, and satisfaction. The study reveal investors have widely appreciated the app for its ease of use and low-cost investments. However, investors have some concerns about fraud, lack of human guidance, and customer support persist. The Researchers have suggested for enhancing security features and providing personalized financial services. Shashidhar H S and Shiva Shankar K C have conducted study to know the conceptual frame work of technology, various investment avenues available for investors and to know the role of technology in inducing the individual to invest. The Researchers opined that the investors should have the knowledge of updated technology for the purpose of investing. Siti Murni Mat Khairi investigated the impact of digital finance applications usage on financial well-being. According to them digital finance applications play a crucial role in improving financial outcomes and improving overall financial well-being. Sonali Jaiswal, Abhishek Srivastava and Audhesh Kumar have conducted study with the purpose to provide insightful information to help investors make wise choices when it comes to investing in digital assets. They have also thrown light on how important regulatory bodies are in dealing with cyber security, data privacy, and transparency issues in the rapidly changing digital financial industry.

4. Research Methodology:

Convenience Sampling Method is used for selecting sample size. The sample size consists of 150 investors from Belagavi and Dharwad cities of Karnataka, India. Statistical Tools such as percentage is used to analyze data. Primary data was collected through open ended questionnaire. Secondary Data is collected from sourced the SEBI, BSE, NSE websites. The data analysis was carried out by using Microsoft Excel.

5. Data Analysis:

Table-1
Age Wise Classification of Investors

Age Group of Investors	No. of Investor	Percentage
20 – 30	22	15
31 – 45	83	55
46 - 60	37	25
Above 60	08	05
Total	150	100

Source: Field Work

The table-1 depicts the age-wise classification of investors. Majority of investors belong to middle adulthood age group [55 percent] whereas 25 percent of investors belong to middle age group. 15 percent of investors belong to young adult age group whereas older age group accounts for just 5 percent.

Table-2
Gender wise Classification of Investors

Gender	No. of Investors	Percentage
Male	146	97
Female	04	3
Total	150	100

Source: Field Work

The Table reveals that Investment in Financial securities has been a male-dominated one. The reasons for the same include social and cultural norms, limited financial freedom for women, male dominated society, etc.

Table-3
Occupation wise Classification of Investors

Occupation of Investors	No. of Investors	Percentage
Agriculture	01	1
Govt. Job	13	9
Private Job	29	19
Self-Employed	67	45
Businessman	36	24
Housewife/House Husband	04	2
Total	150	100

Source: Field Work

It is evident from Table-3 that Self-Employed and Businessman accounted for 69 percent of total Investors. Employees working in private sector are accounted for 19 percent. Employees working in government sector are accounted for just 9 percent of total investors. The reasons for the same are government employees are prohibited to invest on short-term basis. They are also having perception that they are prohibited to invest on long term basis.

Table-4
Income-wise Classification of Investors

Annual Income	No. of Respondents	Percentage
Rs. 1-3 lakh	33	22
Rs. 4-7 lakh	92	61
Rs. 8-10 lakh	16	11
Above Rs.10 lakh	09	6
Total	150	100

Source**:** Field Work

It is clear from above table that the most of the respondents (61 Percent) are having the Annual Income in the range of 4-7 lakh whereas 22 percent of respondent accounted for income range Rs. 1-3 lakh.

Table-5
Classification of Investors based on their Source of Income

Source of Income	No. of Respondents	Percentage
Agriculture	01	1
Business	36	24
Job	44	29
Service	69	46
Total	150	100

Source: Field Work

Respondents having business income and income from service are accounted for 70 percent of total Investors. Some of the jobholders have invested money in financial securities in the name of family partner. The study also reveals that agriculturist are not investing their savings in financial securities even through in India is agri-based economy.

Table-6
Reason for Investment in Financial Securities

Reasons of Investment	No. of Respondents	Percentage
Personal Growth	09	6
Wealth Accumulation	71	47
Higher Return	39	26
House Construction /Purchase	5	3
Children Education	9	6
Financial Security	10	7
Retirement Life	4	3
Any Other Reason	3	2
Total	150	100

Source: Field Work

It is evident from table-6 that 73 percent of Respondents invested in financial securities for wealth accumulation and earning high return on investment. 7 percent of Respondent invested for financial security.

For the purpose of Classification of Investor the following Investment Portfolios have been created based on the investment pattern.

Investment Portfolio	Composition of Portfolio
Portfolio 1	Equity Shares, Preference Shares, Debentures, Corporate Bonds
Portfolio 2	Equity Shares, Preference Shares, Debentures
Portfolio 3	Equity Shares, Preference Shares
Portfolio 4	Equity Shares
Portfolio 5	Equity Shares, Preference Shares
Portfolio 6	Equity Shares, Corporate Bonds, Govt. Bonds
Portfolio 7	Equity Shares, Derivatives
Portfolio 8	Preference Shares, Govt. Bonds

Table-7
Classification of Investor based on Investment Portfolio

Investment Portfolio	No. of Respondents	Percentage
Portfolio 1	2	1
Portfolio 2	5	3
Portfolio 3	9	6
Portfolio 4	91	61
Portfolio 5	11	7
Portfolio 6	8	5
Portfolio 7	19	13
Portfolio 8	5	3
Total	150	100

Source: Field Work

It is observed that 61 percent of investors have invested in equity shares only whereas 13 percent of investors have invested in equity shares and derivatives. 3 percent of respondents have invested in safer financial securities.

Table-8
Awareness about Digital Investment Tools and Digital Payment Tools

Digital Investment Tools	No. of Respondents	%
Online Trading	2	1
Mobile Trading	16	11
Trading App	0	0
Portfolio Mgt. Software	0	0
Artificial Intelligence	0	0
Robo-Advisors	0	0
Machine Learning Algorithm	0	0
Traditional Investment Tools	132	88
Total	150	100

Source: Research Work

Online Payment Tools	No of Respondents	%
Electronic Fund Transfers	24	16
Credit Cards	3	2
Electronic Money	1	1
Smart Cards	2	1
Digital Wallets	57	38
Contactless Payments	1	1
Traditional Payment Tools	62	41
Total	150	100

Source: Research Work

It is astonishing to note that 59 percent of investors are aware of Digital Payment Tools but only 18 percent are aware about Digital Investment Tools. Majority of them were using traditional tools for investment purpose that is personal contact and telephonic contact. 38 percent respondents were aware of Digital Wallets such as Alipay, Amazon Pay, Apple Pay, Google Pay, PayPal, Samsung Pay, etc. None of the investor is aware about Portfolio Mgt. Software such as FactSet, MProfit, AppFolio Investment Manager, InvestNext, Kubera, Mint, Morningstar Direct, Portfolio software, Quicken Premier, Stockrover, Ziggma, etc.

Table-9
Use of Digital Investment Tools

Response	No. of Respondents	Percentage
Yes	18	12
No	132	88
Total	150	100

Source: Research Work

It is also shocking to note from table-9 that only 12 percent of investors are using Digital Investment Tools

Table-10
Criteria used for selection of Digital Investment Tools

Digital Tools	No. of Respondents	Percentage
User-Friendliness	15	83
Real-Time Data	0	-
Affordability	1	6
User Interface	0	-
Reliability	2	13
Security Features	0	0
Research Tools	0	0
Value Added Services	5	28

Source: Research Work

The table-10 depicts that 83 percent of respondents [having awareness] are using Digital Investment Tools because they consider that tools as User-Friendliness. 28 percent selected Digital Investment Tools because they considered that tools offer value added services. 13 percent considered Digital Investment Tools as Reliability tools hence they are using it. Only 6 percent of respondent considered Digital Investment Tools as Affordable one.

Table-11
Improvement in Return Due to usage of Digital Investment Tools

Reply	No. of Respondents	Percentage
Yes	11	61
No	07	39

Source: Field Work

It is evident from the table-11 that majority of respondents (61%) opinioned they were able to earn more by using digital investment tools whereas 39 percent respondents Opinioned that there is no improvement in their earnings in spite of use of digital investment tools.

6. Findings

1) The study reveals that majority of investors invested in financial securities for the purpose of wealth accumulation and earning high return on investment. 7 percent of Respondent invested for financial security.
2) Majority of investors invested in equity shares. Small percentage of investors invested in equity shares as well as derivatives.
3) Negligible percent of Investors (18%) are aware about Digital Investment Tools. Majority of them were using traditional tools for investment/trading purpose. Only 12 percent of investors are using Digital Investment Tools.
4) Majority of Investors [83%] having awareness are using Digital Investment Tools because they consider that tools as User-Friendliness.

7. Suggestions

1. It is suggested to organise Awareness Programme to create awareness about Digital Investment Tools. This can be done in collaboration with local sub-brokers and B-schools Women are not showing interest in mutual fund investment. Exclusive awareness
2. It is also suggested to organise Awareness cum Training Programme to create awareness and to educate the Investors about Investment avenues available in the Market This can also be done in collaboration with local sub-brokers and B-schools.
3. Investor shall be encouraged to use digital tools for portfolio management. Risk assessment etc.

8. Conclusion

If SEBI, Stock Exchanges and Brokers take suitable measures to promote Digital Investment than it is expected to attract more investors towards financial markets but also saves cost for them and help them to take faster investment/trading decisions. If implemented the recommendations made by researchers then it may work out to be win-win model for brokers and investors.

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