

Awareness and Perception Towards Stock Market Investment Among First-Time Young Investors

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ABSTRACT

Stock market investment has gained significant popularity among young individuals due to increasing financial awareness, digital trading platforms, and the aspiration for long-term wealth creation. Despite growing participation, first-time young investors often face challenges related to limited financial literacy, inadequate awareness of investment concepts, and perception biases regarding risk and return. The present study examines awareness and perception towards stock market investment among first-time young investors below the age of 35 years.

The study aims to analyze awareness levels regarding stock market concepts, risk-return characteristics, investment diversification, and perception towards investment behavior. Primary data were collected from 100 respondents through structured questionnaires using convenience sampling techniques. Secondary data were obtained from journals, reports, books, and published literature. Statistical tools including percentage analysis, mean score analysis, correlation, and regression analysis were employed.

The findings indicate that most respondents possess moderate awareness regarding stock market investment and maintain cautiously positive perceptions toward investment opportunities. Education, income, and financial literacy significantly influence awareness levels and investment confidence. The study concludes that improving financial literacy and structured investor education can promote informed investment behavior and sustainable participation among first-time young investors.

Keywords: Stock Market Investment, Awareness, Perception, Young Investors, Financial Literacy, Investment Behavior, Risk Tolerance.

1. INTRODUCTION

Investment plays an important role in economic growth by mobilizing savings into productive activities. Among various investment avenues, the stock market occupies a prominent position due to its potential for wealth creation and higher returns. In recent years, technological advancement, online trading applications, and financial awareness have increased participation among retail investors, particularly young individuals.

Young investors aged below 35 years represent an emerging segment of stock market participants. They are characterized by longer investment horizons, adaptability to technology, and willingness to undertake risk. However, first-time investors often possess limited practical knowledge regarding investment instruments, diversification, market risks, and portfolio management.

Awareness and perception significantly influence investment decisions. Awareness reflects knowledge regarding stock market concepts, while perception represents attitudes and beliefs toward investment opportunities and risks. Limited awareness can lead to irrational decisions, overconfidence, and speculative behavior. Therefore, understanding awareness and perception among first-time young investors becomes essential for promoting informed and sustainable investment behavior.

2. OBJECTIVES OF THE STUDY

1. To assess the level of awareness and perception towards stock market investment among first-time young investors.
2. To analyze the impact of awareness on investment confidence and behavior.
3. To identify demographic factors influencing stock market investment decisions.

3. REVIEW OF LITERATURE

- **Hajli et al. (2020)** investigated the credibility of online financial communities and their influence on investment decisions using empirical survey models. Their findings demonstrated that trust generated through peer interactions significantly alters investor perception, particularly among novice investors. However, the study focused broadly on online investors rather than isolating first-time young investors.
- **Li et al. (2020)** linked financial literacy with portfolio returns using econometric modelling. Their findings confirmed that higher awareness and literacy improve investment performance. However, psychological perception and emotional bias were not examined in depth. The study treated awareness as a direct performance driver rather than a cognitive mediator.
- **Jiang et al. (2020)** studied mutual fund outcomes and investor learning effects over time. The results showed that experiential learning improves perception accuracy. Investors gradually align expectations with reality through repeated exposure. However, early-stage awareness gaps were not the primary focus.
- **Olajide (2020)** further demonstrated that financial dissatisfaction often arises from perception-led decision-making. Investors acted on confidence rather than knowledge. Awareness gaps intensified negative outcomes. The study reinforced perception–reality divergence.
- **Yang (2021)** employed the Theory of Planned Behavior to predict stock market investment intention. The study quantitatively validated that attitude, subjective norms, and perceived behavioral control significantly affect investment intention. While Technically robust, the research did not integrate financial literacy or awareness as mediating variables.

4. RESEARCH METHODOLOGY

Research Design

Research design refers to the overall plan adopted for conducting the study in a systematic and scientific manner. It helps in collecting, analyzing, and interpreting data to achieve the research objectives effectively. In the present study, descriptive research design and analytical research design were adopted. Descriptive research was used to understand the awareness, perception, and characteristics of first-time young investors, while analytical research was used to examine relationships among variables and analyze their influence on investment behavior.

Sources of Data

The study was based on both primary data and secondary data.

Primary Data

Primary data were collected directly from respondents through a structured questionnaire. The questionnaire included questions related to demographic factors, awareness level, perception, and stock market investment behavior.

Secondary Data

Secondary data were collected from journals, books, research articles, reports, websites, and published studies related to stock market investment and investor behavior. These sources supported theoretical understanding and literature review.

Sampling Technique

Sampling technique refers to the method used to select respondents for the study. The present research adopted **convenience sampling**, which is a non-probability sampling method. Respondents were selected based on accessibility and willingness to participate in the survey. This method helped collect data within limited time and resources.

Sample Size

Sample size refers to the number of respondents selected for the study. The research was conducted among **100 first-time young investors below the age of 35 years**. The selected sample size was considered suitable for conducting statistical analysis and obtaining meaningful results.

Statistical Tools

Various statistical tools were used to analyze and interpret the collected data.

Percentage Analysis

Percentage analysis was used to present demographic details and respondent opinions in percentage form for easy interpretation.

Mean Score Analysis

Mean analysis was used to determine the average awareness and perception level of respondents towards stock market investment.

Correlation Analysis

Correlation analysis helped identify the relationship between variables such as awareness and investment behavior.

Regression Analysis

Regression analysis was used to examine the impact of awareness and perception on investment behavior among first-time young investors.

Software Used

The collected data were analyzed using **Microsoft Excel** and **SPSS (Statistical Package for Social Sciences)**. Excel was used for tabulation and graphical presentation, while SPSS was used for statistical analysis and interpretation of results. These tools improved accuracy and reliability in data analysis.

5. DATA ANALYSIS AND INTERPRETATION

Data analysis and interpretation form an important part of the research study, as they help in converting the collected data into meaningful findings. In the present study, data were collected from 100 first-time young investors below the age of 35 years to understand their awareness, perception, confidence level, and demographic influence on stock market investment decisions. The collected responses were analyzed using percentage analysis and mean score analysis. The results are presented in the following tables with suitable interpretations based on the objectives of the study.

Objective 1: To assess the level of awareness and perception towards stock market investment among first-time young investors

TABLE 1**AWARENESS LEVEL OF RESPONDENTS TOWARDS STOCK MARKET INVESTMENT**

Awareness Level	Percentage of Respondents
High Awareness	30
Moderate Awareness	50
Low Awareness	20
Total	100

Source: Primary Data

The above table shows the awareness level of first-time young investors towards stock market investment. It is observed that 50 percent of the respondents have a moderate level of awareness, while 30 percent possess high awareness and 20 percent have low awareness. This indicates that a majority of young investors are familiar with basic stock market concepts, but many of them may not have deeper knowledge about investment strategies, market risk, diversification, and portfolio management. Therefore, the result highlights the need for proper financial literacy programmes and investor education to improve informed investment decisions among young investors.

AWARENESS REGARDING MUTUAL FUNDS**TABLE 2****AWARENESS REGARDING MUTUAL FUND INVESTMENT**

Variable	Mean Score
Awareness regarding Mutual Funds	3.28

Source: Primary Data

The mean score of 3.28 indicates that respondents have a moderate level of awareness regarding mutual fund investments. This shows that young investors are aware of mutual funds as an investment option, but their understanding may be limited in areas such as SIP, risk classification, fund selection, NAV, and long-term return benefits. Hence, awareness campaigns and beginner-level investment guidance can help young investors understand mutual funds more effectively as a safer and diversified investment avenue.

Objective 2: To analyze the impact of awareness on investment confidence and behavior

TABLE 3**PERCEPTION AND CONFIDENCE LEVEL OF RESPONDENTS TOWARDS STOCK MARKET INVESTMENT**

Variable	Mean Score
Perception toward Stock Market	3.44
Confidence Level of Investors	3.36

Source: Primary Data

The above table presents the mean scores related to perception and confidence level of respondents. The mean score for perception towards the stock market is 3.44, which indicates that respondents have a cautiously positive perception. They understand that the stock market provides opportunities for wealth creation, but at the same time, they are also aware of the risks involved.

The confidence level of investors has a mean score of 3.36, which shows that respondents possess moderate confidence in making investment decisions. This suggests that awareness plays an important role in building investment confidence. When investors have better knowledge about stock market operations, risk-return relationship, and investment planning, they are more likely to participate confidently and make rational investment decisions.

Objective 3: To identify demographic factors influencing stock market investment decisions

TABLE 4**DEMOGRAPHIC PROFILE OF RESPONDENTS**

Demographic Factor	Major Category	Percentage
Age	20–25 years	34
Gender	Male	58
Educational Qualification	Postgraduate	42
Occupation	Salaried	44
Monthly Income	₹20,001–₹40,000	38

Source: Primary Data

The demographic analysis shows that most of the respondents belong to the age group of 20–25 years, representing 34 percent of the sample. This indicates that young individuals are showing interest in stock market investment at an early stage of their career or education. Male respondents constitute 58 percent, showing comparatively higher participation than female respondents.

It is also found that 42 percent of the respondents are postgraduates, which suggests that educational background has an influence on investment awareness. Similarly, 44 percent of the respondents are salaried individuals, and 38 percent fall under the income category of ₹20,001–₹40,000. This shows that occupation and income level influence investment

participation, as individuals with regular income are more likely to consider stock market investment as a wealth-building option.

Overall, the analysis reveals that age, gender, education, occupation, and income have an influence on stock market awareness and investment decisions among first-time young investors.

6. FINDINGS

- Most respondents possess moderate awareness regarding stock market investment.
- Young investors maintain positive but cautious perceptions.
- Education and income influence awareness levels.
- Awareness improves investment confidence.
- Financial literacy gaps still exist.
- Young investors rely heavily on digital information sources.

7. SUGGESTIONS

1. Conduct structured financial literacy programs for young investors.
2. Educational institutions should include investment education.
3. Awareness regarding diversification and risk management should be improved.
4. Brokerage firms should provide beginner-level educational content.
5. Young investors should avoid dependence on social media investment advice.
6. Investor education initiatives by regulatory bodies should be strengthened.

8. CONCLUSION

The study concludes that awareness and perception significantly influence stock market investment behavior among first-time young investors. Although participation in stock market investment is increasing, awareness levels remain moderate and perception is often influenced by external factors such as social media and peer opinion. Improved financial literacy and investor education can promote rational investment behavior, enhance confidence, and support long-term wealth creation. Therefore, encouraging informed participation among young investors is essential for sustainable growth of financial markets.

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