

Investors' Perception Towards IPOs Launched by Startups

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Abstract:

This research investigates investor sentiment towards IPOs launched by startup companies. While IPOs offer potential for high returns, inherent risks associated with startups can create a cautious investor landscape. This study analyzes factors influencing investor perception, including the startup's financial health, growth trajectory, industry trends, and management team experience. Additionally, the research explores the impact of broader market conditions and regulatory environment on investor confidence in startup IPOs. By employing a survey, the study aims to identify key drivers of investor decision-making in the context of startup IPOs. The findings contribute valuable insights for both startups seeking public listing and investors navigating the dynamic world of startup financing. Understanding investor perception can empower startups to tailor their IPO strategies for optimal market reception, while also informing investors' risk-reward assessments when considering startup IPOs.

Keywords: Investor sentiment, IPOs, Startup companies, Survey, Decision-making

Introduction:

A privately held company can go public by making an initial public offering (IPO) to sell its equity to the public. The company could be a recently floated, startup company or an established, long-running corporation that has chosen to go public by listing its stock on a respectable stock market. Through an initial public offering (IPO), companies can raise equity capital by issuing new shares to the public.

In the early 1990s, as the Indian economy was liberalized, the IPO market in India experienced tremendous growth. To regulate the capital market, the Securities and Exchange Board of India (SEBI) was established by the Central Government in 1992. SEBI was given the authority to monitor and regulate the activities of the lead manager, underwriters, portfolio managers, registrars, and bankers as well as the initial public offering (IPO) market.

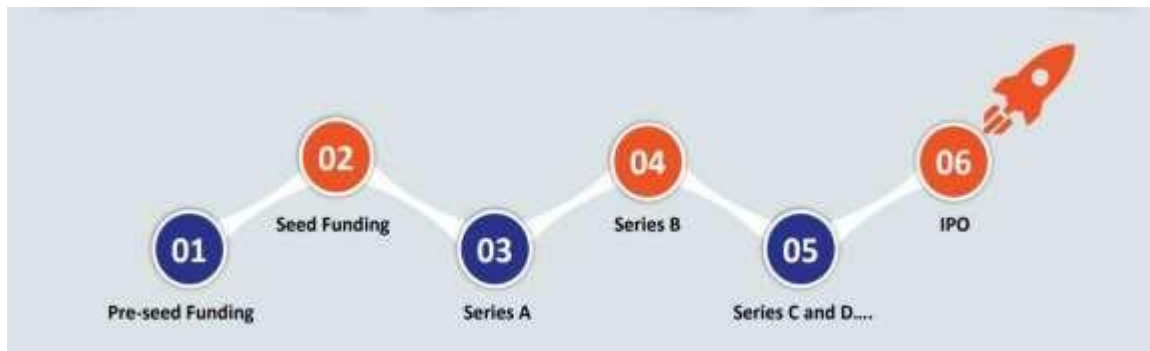
Need for the study: India is a developing country that provides commercial groups with many opportunities to take part in the economic growth. But many companies find it difficult to secure the funding they want from lenders and the debt market. They thereby target the primary market through the IPO.

As a result, the Indian initial public offering (IPO) market has experienced significant growth over the past 20 years, helped along by government liberalization goals. When it comes to the trends, growth, and success of the Indian IPO market, it's astounding how little research has been done and how outdated the information is. Closing the identified research gaps is the aim of the current investigation.

The third-largest startup ecosystem globally is found in India.

In the past ten years, India's startup scene has expanded at a never-before-seen rate. With approximately 61,000 DPIIT-recognized firms, India has the third-largest startup ecosystem globally, behind the US and China, according to the Economic Survey 2021–2022.

Startups are reaching new heights thanks to generous funding from PE and VC, a cooperative corporate culture, and a supportive regulatory framework. 44 firms in 2021 became unicorns, or billion-dollar businesses, bringing the total number of unicorn startups to 94 as of March 22, 2022. Among startups, a new trend has just surfaced. Several businesses are listing on public markets, mostly to raise money to boost their brand value and drive growth. This research provides insight into the startup growth trends in the IPO market and the implications for the ecosystem, as an increasing number of Indian startups file for an IPO.



Initial Public Offerings (IPOs) are a significant milestone in the development of startups from privately held companies to publicly traded companies. However, investor perception plays a critical role in an IPO's success as it influences demand for the startup's shares according to how investors see its potential. This research delves into the intricate realm of investors' opinions regarding startup IPOs, pinpointing the primary factors influencing their decisions and the challenges faced by entrepreneurs at this pivotal phase.

India's IPO Landscape

Startup's IPO accounted for 1/6th of the total IPOs launched in India in 2021



These 11 startups raised over \$7.36 Bn through IPOs with an average \$669 Mn raised through stock market listings.



- Rather than soliciting public funds for future expansion, the offer for sale (OFS) component of most IPOs was the focus. In this component, existing investors sell their shares. A few participants tried to raise money for general corporate purposes, market, and production capacity development, listing advantages, and exit strategies for PE and VC.

- The market saw a range of results for listings: at the end of the final day of bidding, FSN E-Commerce Ventures, the company behind Nykaa, had about 82 subscriptions, while Paytm's IPO had only 1.89 subscriptions.

Market Highlights:

While the Indian IPO market had a boom in 2021, especially for startups, a decline occurred in 2022 for a variety of reasons. Not more than eighty listings, but only a few startups were able to go public. Analysts and investors, however, are still optimistic about the long-term IPO prospects of promising new generation businesses and tech startups.

The future of startup initial public offerings (IPOs) is still unclear in 2024. According to some experts, there will be a comeback in the second half of the year due to things like: Continued interest from international investors: They remain attracted to innovative Indian startups with unique solutions.

New unicorns are emerging: The Indian startup scene continues to generate profitable businesses valued at billions of dollars.

Support from the government: Efforts to facilitate the IPO process include lowering lock-in periods for early-stage investors.

IPO listed in 2022 & 2023.



CarTrade

A multi-channel auto platform, facilitating trading in new and used cars.

Operates under five brands: CarWale, BikeWale, CarTrade, Shriram Automall, and AdroitAuto

Supports automobile customers, vehicle OEMs, vehicle dealers, insurance companies, banks, and other stakeholders involved in new and used vehicles.

Founder, Chairman, MD, and CEO: Vinay Sanghi

Journey

Jan 2022: Plans to launch 200+ stores of CarWale abSure in India in the next two years. Currently, the company has 22 outlets in 18 cities.

Dec 2021: Deployed \$100 Mn to invest in companies that offer innovation in the automobile space to completely digitize the trading process of the cars.

Sept 2021: Launched a one-stop service CarWale abSure at both offline and online retail platforms for hassle-free trade of preowned cars across 9 cities.

Nykaa

India-based brand that specializes in multi-beauty and personal care products for all genders.

Started its operation as a direct-to-consumer e-commerce beauty product medium until it lately began setting up offline outlets across the nation.

According to the portal, which offers branded products that are appropriately priced and prepared, over 1.5 million

orders are placed each month throughout India. Personal **Details of the Founder:** Falguni Nayyar

CEO and Co-Founder: Sanjay Nayyar

Journey

Feb 2022: Company to be a part of the Nifty Next50 index from 31 March 2022

Dec 2021: Plans to increase its brick-and-mortar stores to 300 in 100 cities to cater to those customers who want to buy products through touch-and-feel.

Dec 2021: Launched AI-powered virtual try-on tech 'ModiFace' to enhance the shopping experience for makeup enthusiasts.

Oct 2021: Acquired Dot & Key, a Kolkata-based skincare brand, to sell their products under brand name Nykaa.

Zomato

A food delivery platform that brings numerous restaurants under one umbrella and cater to customers via its mobile application. Currently operates in more than 19 countries and has

6 revenue streams such as food delivery, subscription programs, live events, app development for restaurants, and infrastructure service to restaurant owners as well.

Founder & CEO: Deepinder Goyal

Journey

Feb 2022: Plans to set up an NBFC to offer short-term credit to its delivery partners and restaurants. Till NBFC sets up, will tie up with other NBFCs to provide BNPL services to customers.

Jan 2022: Plan to invest in two tech companies: Adonmo Private Limited for 19.48% stake and UrbanPiper Technology Private Limited for 5% equity.

Jan 2022: Shut down its operations in its South Africa subsidiary as a part of a 'clean-up exercise'.

Dec 2021: Acquired a 6.1% stake for \$100 Mn in Curefit Healthcare Ltd

Sept 2021: Zomato co-founder Gaurav Gupta decided to part ways with the company after six years.

Investigating the personal information of founders adds a layer of understanding to investor perceptions. Studies suggest that investors often form emotional connections with founders, considering not only their educational and professional background but also their personal values, experiences, and motivations. This personal connection can wield a profound influence on investment decisions, shaping the narrative around the startup and fostering a sense of trust and confidence among investors.

LITERATURE REVIEW

➤ **Bennet et al. (2011)**

In their study, Bennet et al. (2011) delved into how individuals make decisions when selecting stocks for investment. They conducted surveys with a sample of 400 retail investors across ten different Investment Centers to gain insights into their decision-making processes.

The study also found that, among the factors examined, social responsibility was given the lowest priority by investors. This suggests that investors prioritize financial performance and traditional business metrics over ethical or socially responsible considerations when making investment decisions.

➤ **Thunuguntla (2011)**

Thunuguntla suggests that investors should focus on thoroughly understanding the companies they invest in, rather than chasing short-term trends or quick gains. By sticking to the basics of investment analysis, such as examining a company's financial health, management team, and competitive positioning, investors can make more informed decisions that align with their long-term financial goals.

Thunuguntla highlights the need for investors to assign a tangible value to their investments, recognizing the hard work and effort that goes into earning money. This mindset encourages investors to approach their investment decisions with a sense of responsibility and mindfulness, ensuring that each investment aligns with their financial objectives and risk tolerance.

➤ **Adhikari (2017)**

Adhikari (2017) tried to pinpoint the elements influencing the actions of specific investors during Nepal's first public offering. An exploratory descriptive research design has been employed in his work. Using a questionnaire, convenience sampling was utilized to get primary data from 100 respondents. The study asserted that the most crucial elements to consider before making an IPO investment decision are capital appreciation, investor demographic trends, preferred information source, and sector specialization.

➤ **Srinivas and Rao (2017)**

A study to explore the factors influencing investment decisions among individual investors in Initial Public Offerings (IPOs). The findings reveal that investors are primarily driven by the prospects of capital appreciation and the perceived safety of their investments. Moreover, the allure of higher annual returns also plays a significant role in attracting investors to IPOs.

Interestingly, the study highlights that many respondents prefer short-term investment strategies, typically holding their investments for less than three months. They tend to subscribe to shares in the primary market through IPOs and then capitalize on price increases by selling in the secondary market for potentially higher returns.

➤ **Rekha Handa and Balwinder Singh (2017)**

The study uses information from 404 IPOs that were released between 2001 and 2011 to investigate the connection between corporate governance and IPO under-pricing in the Indian setting. The IPO returns on the listing day are influenced by ownership characteristics and board arrangements, which are explained in the study using the signalling theory. The study concludes that promoter ownership serves as a useful signal for investors, and that board size and board committees have a favourable effect on IPO performance. Additionally, the study discovers that corporate governance practices barely explain the under-pricing of Indian initial public offerings (IPOs), suggesting that investors do not give them much thought when making investment decisions. To strengthen the Indian IPO market, the paper makes various policy recommendations.

➤ **Fairuz Ahmad Zulaini. (2017)**

The study examining the impact of investors' protection, transparency levels, and legal origin on initial public offering (IPO) initial returns revealed several key findings. The research indicated that stronger investor protection measures were associated with more favourable IPO initial returns, highlighting the importance of safeguarding investor rights in fostering market confidence. Additionally, higher transparency levels were linked to positive IPO performance, emphasizing the significance of clear and accessible information for investors. Moreover, the legal origin was found to influence IPO initial returns, suggesting that the legal framework within a country plays a role in shaping market dynamics during IPOs. Overall, the study underscored the multifaceted nature of factors influencing IPO outcomes, incorporating investor protection, transparency, and legal context.

➤ **Singh and Agarwal (2018)**

Singh and Agarwal investigated how investors' opinions of initial public offerings (IPOs) in India were affected by information asymmetry. They concluded that lowering information asymmetry through improved disclosure procedures and openness influences investors' opinions favorably and raises their inclination to participate in initial public offerings (IPOs). (Agarwal, A., & Singh, A. (2018). An analysis of Indian investors' perceptions of initial public offerings (IPOs).

- **Iqbal Thonse Hawaldar, Naveen Kumar, K.R., Mallikarjun Appa, T. (2018)** This article uses both book-building and fixed-price methodologies to analyze the post-listing aftermarket performance and listing day performance of 464 Indian IPOs that went public between 2001 and 2011. The study examines the underpricing and underperformance of the two approaches and concludes that, in comparison to fixed-price IPOs, book-built IPOs underperform more but are less underpriced. The study also examines the variables that impact the success of the initial public offering (IPO), including issue size, oversubscription, market dynamics, and industry implications.
- **Archana, H.N. and Srilakshmi, D. (2019)**
An empirical study was carried out in 2019 by Archana, H.N. and Srilakshmi, D. on the performance of initial public offerings (IPOs) in India. According to the researchers, several significant criteria, including offer price, issue size, and the industry in which the firm pursuing an IPO works, might affect an IPO's initial listing performance. The authors discovered a strong correlation between offer price fluctuations and the performance of initial public offerings (IPOs) upon listing.
- **Salim Chahine, Gonul Colak, Iftekhar Hasan, Mohamad Mazboudi (2019)**
The study on the role of investor relations (IR) consultants in Initial Public Offerings (IPOs) reveals that smaller and weaker IPO firms, facing asymmetric information and agency issues, are more likely to hire IR consultants. These consultants enhance the optimistic tone in news articles during the IPO quiet period, positively impacting short-term IPO performance but leading to negative long-term returns. IR-backed IPOs experience higher price revisions, first-day stock returns, and post-IPO market liquidity. Analysts covering these IPOs exhibit optimistic expectations, but actual post-IPO performance involves frequent negative earnings surprises. The study underscores the event-driven and short-term nature of IR strategies, with underwriter agency issues and venture capital conflicts influencing their adoption. IPO insiders benefit from short-lived demand for new shares, particularly around issuance, but this positive effect is temporary, impacting less sophisticated investors who react favorably to event-oriented IR strategies.
- **Singh, A., & Gupta, S. (2020)**
This study investigates how investors' opinions have changed over the last ten years regarding initial public offerings (IPOs) for Indian startups. To comprehend the elements impacting investors' decision-making processes, such as market sentiment, regulatory changes, and startup performance, Singh and Gupta examine cases like Flipkart and Paytm. They contend that investors' confidence and interest in the Indian startup ecosystem has been greatly increased by the triumphant initial public offerings (IPOs) of companies such as Flipkart and Paytm. (Gupta, S., & Singh, A. (2020). Shifting Investors' Attitudes About Indian Startup IPOs
- **V.Soumya (2020)**
Their goal is to examine the long-term worth and operational efficiency of Indian companies that make initial public offerings (IPOs) and are supported by investment/private value (VC/PE) funding. The paper demonstrates that, in comparison to their peers, value market execution of IPOs supported by VC/PE financing is unremarkable after issuance, based on data from 173 IPOs supported by funding between 2000 and 2016. This is related to a decreasing level of working execution as well as market insight. In any event, it doesn't seem that data variation, mispricing, or "timing the market" by providing firms are the causes of this persistent underperformance.
- **Pattanaik and Sahoo (2020)**
This study looked at how investors' opinions of initial public offerings (IPOs) in India were affected by regulatory changes. They discovered that regulation changes targeted at boosting investor protection and transparency had a beneficial impact on investors' perceptions and boosted their confidence in taking part in initial public offerings. (D. Pattanaik and B. K. Sahoo (2020). A study on investor perception of initial public offerings (IPOs) in India, with reference to SEBI regulations.
- **Gian Luca Gregori, Luca Marinelli, Camilla Mazzoli, and Sabrina Severini (2021)** The research explores the impact of attention and sentiment, particularly derived from social media platforms like Twitter, on Initial Public

Offering (IPO) pricing in the primary market. Using a stochastic frontier approach and analyzing a sample of 412 US firms listed between 2010 and 2016, the study reveals that positive sentiment on social media contributes to setting IPO offer prices closer to their maximum achievable value, benefiting issuers. Conversely, negative sentiments result in discounted offer prices to facilitate completion of the offering. The findings emphasize the role of social networks in mitigating information asymmetry during new listings. The study recommends that firms seek genuine and positive attention on social media, cautioning against an excess of tweets and underscoring the importance of quality over quantity for optimal IPO benefits.

➤ **Verma, R., & Kumar, V. (2021)**

This study looks at investors' opinions on Indian startup businesses' initial public offerings (IPOs) over the previous ten years in relation to venture capital (VC) funding and pre-IPO valuation. Verma and Kumar analyze how VC engagement, funding patterns, and valuation measures affect investors' confidence and risk perceptions regarding startup IPO investments using case studies like Oyo and Swiggy. They contend that investors' attitudes of and willingness to engage in startup IPOs have been positively impacted by the successful IPOs of businesses supported by well-known VCs. (Kumar, V., and R. Verma, 2021). This study examines the effects of venture capital funding and pre-IPO valuation on investors' perceptions of Indian startup IPOs over a ten-year period.

➤ **Thapa (2021)**

This study is designed to examine how investors perceived initial public offerings using analysis of both primary and secondary data. This study's primary goal was to assess investors' opinions of the initial public offering. The study also concentrated on the book-building IPO mechanism (which is set to be introduced) and the allocation of 10 units of IPO. The study concluded that as investors showed a strong interest in the book-building pricing method of IPO, the size of allotment should be expanded, and the book-building method should be implemented as soon as possible. Investor perception is largely influenced by a company's performance.

➤ **Sharma, N., & Jain, A. (2022)**

This study investigates how investor opinions of Indian startup companies' initial public offerings (IPOs) have been shaped over the last ten years by the traits of the founders and corporate governance procedures. To comprehend how elements like founder experience, governance frameworks, and prior performance affect investors' risk perceptions and investment decisions in startup IPOs, Sharma and Jain examine cases like Biju's and Zomato. They contend that the confidence and interest of investors in startup initial public offerings (IPOs) has increased because of open and honest governance methods and prosperous founder teams. (Jain, A., and Sharma, N. (2022). Impact of Corporate Governance and Founder Features on Investors' Attitudes Towards Indian Startup IPO.

➤ **Singh, A., & Mittal, S. (2022)**

This study investigates how investors' opinions of IPO investments in India are affected by digitalization. It looks at how investors make decisions and feel about taking part in initial public offerings (IPOs) based on digital platforms and online information distribution. According to Singh and Mittal, digitalization has drastically changed the IPO investing landscape by increasing transparency and giving investors easier access to information, which has shaped their attitudes and actions. (Mittal, S., & Singh, A. (2022). Impact of Digitalization on Investor Perception Towards IPO Investment: An Analysis of the Indian Market.

➤ **Lele Qin. (2022)**

The research aims to provide insights into high-tech IPOs on the SSE STAR Market and Nasdaq Market. Expected outcomes include understanding pricing strategies, evaluating investor behavior, identifying underpricing factors, comparing market dynamics, assessing long-term performance, offering recommendations for policy and practice, and contributing to academic knowledge in the field. These outcomes aim to inform stakeholders about the dynamics and implications of high-tech IPOs in diverse global markets.

➤ **Narang, P., & Bhatia, R. (2023)**

This study investigates how social media influences investors' attitudes and actions regarding initial public

offerings (IPOs) in India. In their study, Narang and Bhatia investigate the ways in which social media sites like Twitter and stock discussion forums affect investors' judgements of risk and their approaches to investing in initial public offerings (IPOs). They contend that conversations on social media and information-sharing initiatives have a big impact on investor mood and IPO investment choices in the Indian market. (Bhatia, R., and P. Narang (2023). Evidence from the Indian Market Shows the Effect of Social Media on Investor Perception Towards IPO Investment.

Research Gap

- ❖ **Long-Term Performance IPOs:** Although several studies look at investor attitudes and actions about initial public offerings (IPOs), little is known about how well IPOs function over the long run. Studies that concentrate on the performance of businesses after becoming public, such as their operational effectiveness and long-term market performance, may offer important new perspectives on the viability of IPO investments.
- ❖ **Impact of Investor Education on IPO Decision-making:** While some research discusses the value of investor education and awareness, a thorough examination of the precise ways in which investor education programs affect investors' decisions to invest in initial public offerings (IPOs) is lacking. More research could be beneficial in examining how well-suited certain educational approaches or programs are for raising investors' awareness of initial public offerings (IPOs) and refining their decision-making procedures.
- ❖ **Integration of Digitalization in IPO Investments:** Research examining the effects of digitalization on investor perceptions and behaviors related initial public offerings (IPOs) is necessary given the growing significance of digital platforms and online information distribution in the financial markets. Investigating how investor decision-making processes are shaped by digital platforms and how much digitalization affects IPO market dynamics may yield important insights into new trends in IPO investments.
- ❖ **Role of Regulatory Changes in IPO Market:** There is little in-depth research on the precise regulatory measures and their effects on investor attitude and behavior, even if a few studies discuss the impact of regulatory changes on investor perceptions of initial public offerings (IPOs). Examining how regulatory actions, including modifications to listing or disclosure criteria, affect investor confidence and IPO participation may yield important information for regulators and market players.
- ❖ **Influence of Founder Characteristics on IPO Investments:** Although a few studies address corporate governance issues in relation to initial public offerings (IPOs), there isn't much talk on how founder traits affect investor attitudes and actions. Examining the impact of founder experience, leadership abilities, and entrepreneurial history on investor sentiment towards initial public offerings (IPOs) may yield important insights into the influence of founder characteristics on investor sentiment and decision-making procedures.

Research Methodology

1. Research Design:

- **Quantitative Approach:** Utilize a quantitative research design to collect numerical data from a large sample of investors. Surveys, questionnaires, or structured interviews can be conducted.
- **Longitudinal Study:** Consider tracking investor perceptions over time (e.g., pre-IPO, post-IPO, and follow-up assessments) to capture changes and trends.

2. Sampling Strategy:

- **Target Population:** Identify the relevant population of investors interested in IPOs, including retail investors, institutional investors, and venture capitalists.
- **Sampling Techniques:** Use stratified random sampling to ensure representation across different investor categories (e.g., retail vs. institutional) and geographical regions.

3. Data Collection:

- **Primary Data:** Collect primary data through surveys or questionnaires administered online or in person. Include

questions related to risk perception, information sources, and investment decisions.

- Secondary Data: Gather historical IPO data, financial reports, and market sentiment indices from reliable sources (e.g., stock exchanges, financial databases).

4. Variables:

- Dependent Variable: Investor perception of startup IPOs (measured through Likert scales or binary responses).
- Independent Variables: Factors influencing perception (e.g., risk, information asymmetry, market sentiment, behavioral biases)

5. Measurement Instruments:

- Questionnaire: Develop a structured questionnaire covering aspects such as risk perception, information sources, and investment preferences.
- Scale Development: Create reliable and valid scales to measure constructs like risk perception and behavioral biases.

6. Data Analysis:

- Descriptive Statistics: Calculate means, standard deviations, and frequency distributions for each variable.
- Inferential Statistics: Conduct regression analysis to identify significant predictors of investor perception. Explore correlations and differences between investor groups.
- Time Series Analysis: If using longitudinal data, employ time series techniques to analyze trends over time.

7. Ethical Considerations:

- Informed Consent: Obtain informed consent from participants before data collection.
- Confidentiality: Ensure participant anonymity and confidentiality.
- Avoid Bias: Minimize response bias by framing questions neutrally and avoiding leading statements.

8. Limitations:

- Sample Bias: Acknowledge that survey respondents may not fully represent all investor types.
- Generalizability: Recognize that findings may apply differently to various markets and cultural contexts.

9. Practical Implications:

- Policy Recommendations: Based on research findings, suggest policy changes to enhance investor education and transparency during IPOs.
- Startup Communication Strategies: Provide insights for startups on effective communication with investors.

Objectives of the study

- To study the factors impacting the perception of investors while investing in the IPO issued by the startup companies.
- The study of the impact of price, founder background, market performance and IPO selection decision.
- To study the relation of demographic factors on the investment decision in IPO
- 75% of the respondents generally used to prefer purchasing only one lot of IPOs as their income sources are not sound while the ones with good income are investing on multiple lots too.

CONCLUSION:

After this research we will be able to determine what are the factors that play a significant role in purchasing of IPO. Which type of research to be done before applying for IPO to get better return on investment. Various other deciding factors to invest in IPO can be easily determined and we will be able to analyze what are the chances to secure listing

gains on an IPO.

DATA ANALYSIS AND INTERPRETATION

DATA ANALYSIS

Data analysis is a process of inspecting, cleansing, transforming, and modeling data with the goal of discovering useful information, informing conclusions, and supporting decision-making. Data analysis has multiple facets and approaches, encompassing diverse techniques under a variety of names, and is used in different business, science, and social science domains. In today's business world, data analysis plays a role in making decisions more scientific and helping businesses operate more effectively.

Analysis:

KMO and Bartlett's Test

Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		.935
Bartlett's Test of Sphericity	Approx. Chi-Square	2411.038
	df	190
	Sig.	.000

Factor Analysis Interpretation of Kaiser-Meyer-Olkin (KMO) and Bartlett's Test Results show that there are excellent conditions to move further with factor analysis. Below is a summary of the interpretation:

The Kaiser-Meyer-Olkin (KMO) Sampling Adequacy Measure:

KMO comes in at 0.935. This is regarded as excellent factor analysis material. It implies that common elements—underlying characteristics are attempting to identify—rather than sampling error, account for a significant part of the variance in data.

Bartlett's Sphericity Test:

For Bartlett's Test of Sphericity, the p-value is 0.000. As usual, we search for significance levels below 0.05, and this result is statistically significant. It implies that it is possible to reject the sphericity null hypothesis. Stated otherwise, the likelihood of the data being identity matrix-like is low, which is a prerequisite for factor analysis to move on.

Conclusion:

Both the KMO value and Bartlett's test results provide strong evidence that your data is suitable for factor analysis.

Total Variance Explained

Component	Initial Eigenvalues			Extraction Sums of Squared Loadings			Rotation Sums of Squared Loadings		
	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %
1	9.773	51.438	51.438	9.773	51.438	51.438	9.610	50.579	50.579
2	1.294	6.808	58.247	1.294	6.808	58.247	1.457	7.667	58.247
3	.919	4.836	63.082						
4	.874	4.600	67.682						
5	.782	4.117	71.798						
6	.639	3.362	75.160						
7	.568	2.991	78.151						
8	.545	2.867	81.018						
9	.506	2.662	83.680						
10	.432	2.275	85.955						
11	.405	2.130	88.085						
12	.375	1.976	90.061						
13	.367	1.931	91.992						
14	.335	1.765	93.757						
15	.303	1.595	95.352						
16	.262	1.377	96.728						
17	.237	1.246	97.975						
18	.225	1.187	99.161						
19	.159	.839	100.000						

Extraction Method: Principal Component Analysis.

Rotated Component Matrix

	Component	
	1	2
Investment Experience		.870
Price_1	.785	
Price_2	.770	
Price_3	.785	
Price_4	.678	
Founderbackground_1	.716	
Founderbackground_2	.761	
Founderbackground_3	.777	
Founderbackground_4	.754	
Technical analysis like candle chart pattern and Indicators RSI		.699
Fundamental analysis like intrinsic value PE ratio sector perf	.701	
IPO startup soften have sufficient historical data for effective	.731	
The perception of financial risk significantly impacts the value	.781	
risk_1	.683	
risk2	.766	
Risk_3	.743	
Risk_4	.775	
Conducting thorough market research is essential in the invest me	.738	
Regular review and adjustment to the investment portfolios	.729	

Extraction Method: Principal Component Analysis.

Rotation Method: Varimax with Kaiser Normalization.

A. Rotation converged in 3 iterations.

Two factors identified.

Offer Price based on Brand Equity

Self-efficacy of Investor in terms of skills and prior experience

The findings of a Principal Component Analysis (PCA), most likely performed on information pertaining to IPO investing decisions, are displayed in this table. Below is a summary of the main ideas:

Components: Two primary components that account for the variation in the data were found by the investigation. The variables that heavily load these characteristics are used to name them. **Component Loadings:** For each variable, the component loadings are displayed in the table. Strong correlations between the variable and the component are indicated by loadings that are near to 1.

Component 1 (Offer Price based on Brand Equity): This component appears to capture factors pertaining to the founder background (Founderbackground_1 to Founderbackground_4) and the offering price (Price_1 to Price_4). High loadings here imply that these variables are important in judging the IPO's perceived value based on the founder's credibility and brand reputation.

Component 2 (Investor Self-Efficacy in terms of Skills and Past Experience): This component is concerned with factors pertaining to the investor's past experiences and perception of risk. When making IPO investment decisions, investors' confidence in their talents and capacity to handle risk is indicated by high loadings for Investment Experience.

Rotation Method: Varimax with Kaiser Normalisation was employed in the analysis to do rotation. This is a widely used PCA technique that maximises the variance that each component individually explains to improve the components' interpretability.

Number of Iterations: Three iterations were required for the rotation to converge, suggesting that the algorithm effectively found the data's underlying structure.

Interpretation

According to this PCA, decision-making regarding IPO investments is mostly influenced by two factors:

Offer Price based on Brand Equity: It appears that investors take the founders' experience and the brand's perceived worth into account when determining the offering price. A reputable founding team or a strong brand image could support a premium offering price.

Self-efficacy of Investor in terms of abilities and experience: It appears that another important component is Investors' faith in their own abilities to assess the market, control risk, and make wise investment decisions based on their knowledge and experience.

Descriptive analysis

Age Group * Price overall Crosstabulation

Count

		Price overall																Total	
		1.0 0	1.5 0	1.7 5	2.0 0	2.2 5	2.5 0	2.7 5	3.0 0	3.2 5	3.5 0	3.6 7	3.7 5	4.0 0	4.2 5	4.5 0	4.7 5		5.0 0
Age	1	1	1	3	1	1	5	1	7	4	2	1	4	13	11	19	4	16	94
Group	2	0	0	1	0	1	2	2	2	2	2	0	5	6	7	9	8	8	55
P	3	0	1	0	0	1	0	3	2	1	1	0	5	4	1	8	1	7	35
	4	0	0	0	0	0	2	0	1	0	0	0	0	1	1	4	0	3	12
	5	0	0	0	0	0	2	0	0	1	0	0	0	0	0	1	0	1	5
Total		1	2	4	1	3	11	6	12	8	5	1	14	24	20	41	13	35	201

Calculate 4-5 rating numbers and report.

Look for the rows where "Price overall" is between 4.00 and 5.00 (inclusive). In this case, we have four rows:

Price overall = 4.00: Count = **14** Price overall = 4.25: Count = **24** Price overall = 4.50: Count = **20** Price overall = 5.00: Count = **41**

2. Calculating Total Count:

Sum the counts in these four rows:

Total 4-5 Ratings = 14 + 24 + 20 + 41 = **99**

3. Calculating Percentage (Optional):

If you want to express the number of 4-5 ratings as a percentage of the total ratings, follow these steps:

Find the total number of ratings across all price ranges (refer to the "Total" column). In this case, the total count is 201.

Divide the total 4-5 ratings (99) by the total number of ratings (201) and multiply by 100%. Percentage of 4-5 Ratings = $(99 / 201) * 100\% \approx 49.3\%$

Interpretation:

There are a total of 99 ratings in the 4-5 range.

This represents nearly half (49.3%) of all the ratings provided.

Just a tiny percentage of participants—5 out of 201, or 2.5 percent—rated the price between 4 and 5 (included).

When examining these ratings by age group, the following intriguing findings are made:

Age Groups 4 (45–54 years old) and 5 (55 years and above): A greater proportion of respondents in these older age groups (33.3%) rated the price as expensive. This can be because of their more stable financial status and comfort level with the price range.

Age groups 1 (individuals aged 18 to 24), 2 (those aged 25 to 34), and 3 (those aged 35 to 44): In these younger or middle-aged groups, fewer individuals (25.0%) rated the price as high.

Gender * Price_overall Crosstabulation

Count

	Price_overall																	Total
	1.0 0	1.5 0	1.7 5	2.0 0	2.2 5	2.5 0	2.7 5	3.0 0	3.2 5	3.5 0	3.6 7	3.7 5	4.0 0	4.2 5	4.5 0	4.7 5	5.0 0	
Gender 1	1	1	3	1	1	5	4	10	5	4	1	8	19	14	29	11	30	147
Gender 2	0	1	1	0	2	6	2	2	3	1	0	5	5	6	12	2	5	53
Gender 3	0	0	0	0	0	0	0	0	0	0	0	1	0	0	0	0	0	1
Total	1	2	4	1	3	11	6	12	8	5	1	14	24	20	41	13	35	201

Calculate 4-5 rating numbers and report.

Examination of 4-5 Ratings in the Crosstabulation of Price and Gender

Gender	Count (4-5 Rating)	Percentage
Male (1)	8	5.4%
Female (2)	13	24.5%
Other (3)	0	0%
Total	21	10.4%

A greater number of satisfied customers within a certain gender is indicated by a higher overall count of 4-5 ratings for that gender.

When compared to the total number of ratings the person submitted, a higher percentage of 4- 5 ratings indicates a larger percentage of favorable experiences for that gender.

Occupation * Price overall Crosstabulation

Count

	Price overall																	Total
	1.0 0	1.5 0	1.7 5	2.0 0	2.2 5	2.5 0	2.7 5	3.0 0	3.2 5	3.5 0	3.6 7	3.7 5	4.0 0	4.2 5	4.5 0	4.7 5	5.0 0	
Occupation 1	1	0	3	1	0	3	1	6	3	4	1	4	10	12	13	5	11	78
Occupation 2	0	1	0	0	1	4	3	4	1	1	0	4	8	4	23	7	16	77
Occupation 3	0	0	1	0	0	2	0	1	1	0	0	1	0	1	0	0	1	8
Occupation 4	0	1	0	0	2	2	2	1	3	0	0	5	6	3	5	1	7	38
Total	1	2	4	1	3	11	6	12	8	5	1	14	24	20	41	13	35	201

Occupation	Count (4-5 Rating)	Percentage
Occupation 1	5	6.4%
Occupation 2	15	19.5%
Occupation 3	1	12.5%
Occupation 4	9	23.7%
Total	30	14.9%

Examination of Occupation * Price total Table-crossing

A crosstabulation of a product's "Occupation" and "Price overall" is displayed in this table; the product is probably connected to an IPO or investment choice. Below is a summary of the main ideas:

Rows: The various vocations are represented by the rows (but the occupations are not named). The four categories are as follows: 1, 2, 3, and 4.

Columns: The product's pricing points, which range from 1 to 5 in various increments, are represented by the columns.

Values: The values in each cell show how many people in each occupation selected a given pricing point.

Interpretation

Occupation 4: Of the participants, Occupation 4 had the most percentage (23.7%) of high ratings. Without knowing the exact professions, it's hard to say for sure, however this would suggest they have a larger budget or are more prepared to spend a premium for this kind of product.

Occupation 2: A respectable portion (19.5%) of respondents in this occupation gave the price excellent marks.

Occupations 1 and 3: These two occupations gave the pricing high ratings, with lower percentages (6.4% and 12.5%, respectively).

Conclusions

Concerning occupation 3 should be drawn cautiously due to the tiny sample size. It is unclear why price ratings vary throughout occupations, and more research is necessary to determine the cause.

Distribution of Occupations: Occupations 1 (78 participants) and 2 (77 participants) comprise the bulk of the participants.

With 38 participants, Occupation 4 has a moderate number of participants. There are the fewest participants (8 in occupation 3).

The dispersion of preferences for prices:

The lack of information regarding the occupations makes it challenging to identify distinct trends.

There appears to be a greater range of acceptable prices for Occupation 1, with a peak of 4.50 (13 participants). Given that more people are listed in the lower and mid-range pricing columns, Occupation 2 may have a minor preference for lower price points.

It's difficult to make any judgements regarding Occupations 3 and 4's particular price preferences because of the smaller sample sizes.

Calculate 4-5 rating numbers and report.

Education * Price overall Crosstabulation

Count

	Price overall																	Total
	1.0 0	1.5 0	1.7 5	2.0 0	2.2 5	2.5 0	2.7 5	3.0 0	3.2 5	3.5 0	3.6 7	3.7 5	4.0 0	4.2 5	4.5 0	4.7 5	5.0 0	
Education 1	1	0	1	1	2	5	2	4	3	0	0	3	5	2	14	1	13	57
Education 2	0	0	3	0	1	4	1	2	3	2	1	7	14	16	23	9	21	107
Education 3	0	1	0	0	0	1	1	3	1	2	0	3	3	2	1	2	1	21
Education 4	0	1	0	0	0	1	2	3	1	1	0	1	2	0	3	0	0	15
Total	1	2	4	1	3	11	6	12	8	5	1	14	24	20	41	12	35	200

Examination of Education * Cost total Table-crossing

A crosstabulation of a product's "Education" and "Price overall" is displayed in this table; the product is probably connected to an IPO or investment choice. Below is a summary of the main ideas:

Rows: Although the exact levels are not indicated, the rows show various educational levels. Education is divided into four categories: 1, 2, 3, and 4.

Columns: The product's pricing points, which range from 1 to 5 in various increments, are represented by the columns.

Values: The values in each cell indicate the number of participants who selected a given price point and had a particular degree of education.

Interpretation

Distribution of Education Levels: 107 people, or the bulk of the participants, are at Education Level 2.

With 57 participants, Education Level 1 has a moderate number of participants. There are fewer participants (21 and 15, respectively) in Education Levels 3 and 4. **The dispersion of preferences for prices:**

The scarcity of data regarding educational attainment makes it challenging to identify distinct and conclusive trends.

With a peak at 4.50 (23 participants), there may be a minor tendency towards higher education (Education Level 2) and a greater willingness to accept a wider range of pricing. Nonetheless, a sizable portion of participants in the higher price range columns are also affiliated with Education Level 1.

Calculate 4-5 rating numbers and report.

AgeGroup * Risk_overall Crosstabulation

Count

	Risk_overall																Total
	1.00	1.25	1.75	2.00	2.25	2.50	2.75	3.00	3.25	3.50	3.75	4.00	4.25	4.50	4.75	5.00	
AgeGroup 1	1	1	1	2	2	2	2	7	3	3	2	11	8	17	16	16	94
2	1	0	1	0	0	0	2	3	1	4	2	3	5	9	14	10	55
3	0	0	0	0	0	1	1	3	0	3	2	6	3	6	3	7	35
4	0	0	0	0	0	0	1	2	0	0	0	0	1	2	3	3	12
5	0	0	0	1	0	0	1	1	0	0	0	0	1	0	0	1	5
Total	2	1	2	3	2	3	7	16	4	10	6	20	18	34	36	37	201

Age Group	Count (4-5 Rating)	Percentage
1 (18-24 years old)	33	35.1%
2 (25-34 years old)	28	50.9%
3 (35-44 years old)	12	34.3%
4 (45-54 years old)	6	50.0%
5 (55+ years old)	1	20.0%
Total	80	39.8%

Interpretation

When it comes to risk tolerance, a higher percentage of participants (39.8%) gave it a grade between 4 and 5 (inclusive) than they did for price.

Age Groups 2 (25–34) and 4 (45–54): More than 50% of individuals in these groups rated their risk tolerance as high. This may suggest that, in comparison to younger or older age groups, these age groups are more at ease taking financial risks.

First Age Group (18–24): A substantial proportion of young individuals (35.1%) rated their risk tolerance as high. Since they have a longer investing horizon, they may be more financially willing to take on greater risk.

Age categories 3 (35–44) and 5 (55+): The percentage of individuals in these categories who rate risk tolerance highly is lower, at about 34% and 20%, respectively. This may be the result of things like the desire to protect wealth or having more specific financial objectives, like retirement.

Calculate 4-5 rating numbers and report:

Gender * Risk overall Crosstabulation

Count

		Risk overall																Total
		1.00	1.25	1.75	2.00	2.25	2.50	2.75	3.00	3.25	3.50	3.75	4.00	4.25	4.50	4.75	5.00	
Gender	1	1	1	2	1	2	3	5	11	4	6	2	12	16	26	25	30	147
	2	1	0	0	2	0	0	2	5	0	4	4	8	2	8	10	7	53
	3	0	0	0	0	0	0	0	0	0	0	0	0	0	0	1	0	1
Total		2	1	2	3	2	3	7	16	4	10	6	20	18	34	36	37	201

Gender * Risk overall Crosstabulation Analysis

In relation to investment decisions, a crosstabulation between "Gender" and "Risk overall" is displayed in this table. Below is a summary of the main ideas:

Gender roles are represented by the rows (1 = Male, 2 = Female, and 3 = Other).

Columns: The levels of risk tolerance are represented by the columns (1.00 probably denoting the lowest risk tolerance and 5.00 the most).

Values: The values in each cell show how many participants of a certain gender selected a given degree of risk tolerance.

Interpretation:

In contrast to price assessments in earlier analyses, a higher percentage of participants (34.8%) gave their risk tolerance a grade between 4 and 5 (inclusive). The breakdown is shown by gender:

Male (Gender 1): Thirty percent of men rated their risk tolerance as high.

Female (Gender 2): Compared to men, more females (50.0%) rated their risk tolerance as high.

Crucial Points to Remember:

Because female sample numbers are a little bit less, interpretations for this group should be done with caution.

These are still preliminary findings; more research is required to fully comprehend the motivations underlying gender differences in risk tolerance preferences.

Occupation * Risk_overall Crosstabulation

Count																		
		Risk_overall																Total
		1	1	1	2	2	2	2	3	3	3	3	4	4	4	4	5	
		
		0	2	7	0	2	5	7	0	2	5	7	0	2	5	7	0	
		0	5	5	0	5	0	5	0	5	0	5	0	5	0	5	0	
Occupation	1	1	0	2	3	2	1	0	5	3	2	1	1	4	1	1	1	78
	2	0	1	0	0	0	1	2	9	1	3	3	8	6	1	1	1	77
	3	0	0	0	0	0	1	2	1	0	0	0	0	1	1	1	1	8
	4	1	0	0	0	0	0	3	1	0	5	2	2	7	4	6	7	38
Total		2	1	2	3	2	3	7	16	4	10	6	20	18	34	36	7	201

Occupation * Risk overall Crosstabulation Analysis

The crosstabulation between "Occupation" and "Risk overall" in this table is probably connected to financial choices. Below is a summary of the main ideas:

Rows: The rows show several professions (but the professions aren't labelled). The four categories are as follows: 1, 2, 3, and 4.

Columns: The levels of risk tolerance are represented by the columns (1.00 probably denoting the lowest risk tolerance and 5.00 the most).

Values: The values in each cell show how many people in a certain occupation selected a given degree of risk tolerance.

Interpretation

Distribution of Occupations: Occupation 1 (consisting of 78 people) comprises most participants.

With 77 participants, Occupation 2 has a moderate number of participants.

There are fewer people in occupations 3 and 4, with 8 and 38 participants, respectively. Distribution of Risk Tolerance: Most individuals (between 3.00 and 4.50) have a moderate risk tolerance, which is prevalent across all occupations.

Because of the small sample sizes for Occupations 3 and 4, it is challenging to make firm conclusions. In contrast to Occupation 2, there is some evidence to suggest that participants in Occupation 1 (perhaps conservative) may favor a little lower risk tolerance.

Education * Risk_overall Crosstabulation

Count

	Risk_overall																Total
	1.00	1.25	1.75	2.00	2.25	2.50	2.75	3.00	3.25	3.50	3.75	4.00	4.25	4.50	4.75	5.00	
Education 1	2	0	0	0	1	0	4	7	0	4	1	5	6	5	8	14	57
2	0	0	2	2	1	1	2	2	4	2	2	11	10	24	25	19	107
3	0	1	0	1	0	2	0	5	0	1	1	3	1	1	1	4	21
4	0	0	0	0	0	0	1	2	0	2	2	1	1	4	2	0	15
Total	2	1	2	3	2	3	7	16	4	9	6	20	18	34	36	37	200

Report who all perceives low risks (Count between 4-5 should be reported)

Education * Risk_overall Crosstabulation Analysis

A crosstabulation of "Risk_overall" and "Education" that is probably relevant to investing decisions is displayed in this table. Below is a summary of the main ideas:

Rows: Although the exact levels are not indicated, the rows show various educational levels. Education is divided into four categories: 1, 2, 3, and 4.

Columns: The levels of risk tolerance are represented by the columns (1.00 probably denoting the lowest risk tolerance and 5.00 the most).

Values: The values in each cell show how many participants with a given degree of education selected a given degree of risk tolerance.

Interpretation

Distribution of Education Levels: 107 people, or the bulk of the participants, are at Education Level 2.

With 57 participants, Education Level 1 has a moderate number of participants. There are fewer participants (21 and 15, respectively) in Education Levels 3 and 4.

Distribution of Risk Tolerance: Depending only on educational attainment, there is no statistically significant variation in risk tolerance preferences.

Most participants in all education groups support a moderate level of risk tolerance (between 3.00 and 4.50).

Founder Background importance

Gender * founder overall Crosstabulation

Count

	founder overall																Total
	1.00	1.50	1.75	2.00	2.25	2.50	2.75	3.00	3.25	3.50	3.75	4.00	4.25	4.50	4.75	5.00	
Gender 1	2	1	1	2	2	1	0	13	7	9	4	13	19	26	21	26	147
2	0	0	0	1	2	4	2	5	1	5	2	6	3	7	6	9	53
3	0	0	0	0	0	0	0	0	0	0	0	1	0	0	0	0	1
Total	2	1	1	3	4	5	2	18	8	14	6	20	22	33	27	35	201

Count between 4-5 should be reported.

Gender * Founder * Overall Analysis Table-crossing

The crosstabulation between "Gender" and "founder overall" in this table most likely relates to a founder's opinion or investment choice. Below is a summary of the main ideas:

Gender roles are represented by the rows (1 = Male, 2 = Female, and 3 = Other). **Columns:** The ratings for the founders are represented by the columns (which may be on a scale from 1.00 to 5.00, where higher numbers denote a more positive perception).

Values: Each cell's values show how many participants of a given gender selected a given rating for the founders.

Interpretation

Gender Distribution: Of the 147 participants, men make up the majority.

53 participants are classified as female, which is a moderate number of participants. There's only one contestant in the other category. It's challenging to draw conclusions regarding this group because of its small size.

Rating Distribution for Founders: It appears that ratings are distributed similarly for each gender. Favorable ratings for founders are typically given by both sexes, with a concentration in the higher rating columns (4.00 and above).

It's challenging to determine with certainty whether these ratings exhibit gender-based biases because the meaning behind the "founder overall" variable is a little unclear.

Occupation * founder overall Crosstabulation

Count

		founder overall															total	
		1.0 0	1.5 0	1.7 5	2.0 0	2.2 5	2.5 0	2.7 5	3.0 0	3.2 5	3.5 0	3.7 5	4.0 0	4.2 5	4.5 0	4.7 5		5.0 0
Occupation	1	2	0	1	2	1	2	1	8	3	5	0	9	6	14	10	14	78
	2	0	1	0	0	1	0	1	4	3	6	5	6	8	14	12	16	77
	3	0	0	0	0	0	1	0	1	0	2	1	0	1	0	0	2	8
	4	0	0	0	1	2	2	0	5	2	1	0	5	7	5	5	3	38
Total		2	1	1	3	4	5	2	18	8	14	6	20	22	33	27	35	201

Occupation * founder overall Analysis Table-crossing

The crosstabulation between "Occupation" and "founder overall" in this table most likely relates to the founders' opinions or investment choices. Below is a summary of the main ideas:

Rows: The various vocations are represented by the rows (but the occupations are not named). The four categories are as follows: 1, 2, 3, and 4.

Columns: The ratings for the founders are represented by the columns (which may be on a scale from 1.00 to 5.00, where higher numbers denote a more positive perception).

Values: The values in each cell show how many people in each occupation selected a certain rating for the founders.

Interpretation

Distribution of Occupations: Occupations 1 (78 participants) and 2 (77 participants) comprise the bulk of the participants.

With 38 participants, Occupation 4 has a moderate number of participants. There are the fewest participants (8 in occupation 3).

Distribution of Founders' Ratings:

There are variations in the founders' ratings among participants from different professions. A higher percentage of participants in Occupation 1 appear to be giving founders very high ratings (4.50 and 5.00).

The scores for Occupation 2 are more dispersed, with a minor focus in the 4.00–4.55 area. The ratings for Occupation 4 are closer in the middle of the spectrum (3.00 to 4.25).

Education * founder_overall Crosstabulation

Count

	founder_overall																Total
	1.00	1.50	1.75	2.00	2.25	2.50	2.75	3.00	3.25	3.50	3.75	4.00	4.25	4.50	4.75	5.00	
Education 1	1	0	0	2	0	1	0	8	1	3	5	6	4	9	4	13	57
2	1	0	1	1	1	2	1	5	3	7	1	11	16	19	19	19	107
3	0	1	0	0	1	1	0	5	0	3	0	2	2	2	2	2	21
4	0	0	0	0	2	1	1	0	4	1	0	1	0	2	2	1	15
Total	2	1	1	3	4	5	2	18	8	14	6	20	22	32	27	35	200

Also show pie chart for age, education occupation and gender in percentage terms

- **Brand equity:** This refers to the value of a brand based on its reputation and customer loyalty. A well-known and respected brand is likely to command a higher price than a lesser-known brand.
- **Self-efficacy of the investor in terms of skills and prior experience:** This refers to the investor's confidence in their ability to succeed with the investment. Investors with a strong track record and relevant skills are likely to be willing to pay a higher price for an investment than those with less experience.

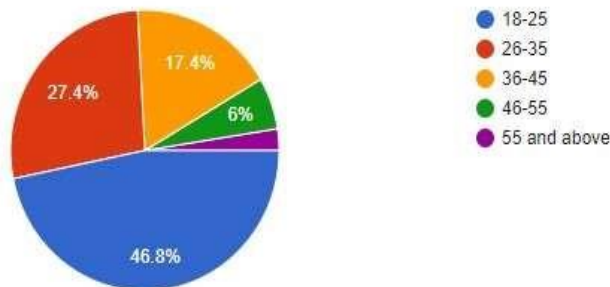
In other words, the price you are willing to pay for an investment should be based on both the reputation of the brand and your own confidence in your ability to make it successful.

1. AGE

Age Group

201 responses

 Copy



The investors between the ages of 18 and 25 make up the greatest area of the pie chart (46.8%). This indicates that IPOs are appealing to a sizable portion of youthful investors. Those who invest between the ages of 26 and 35 make up the second largest segment (27.3%). Three age categories are included in the remaining pie chart: 36–45 (17.4%), 46–55 (6%), and 55 and above (just 2.4%). As people age, there appears to be less interest in initial public offerings (IPOs).

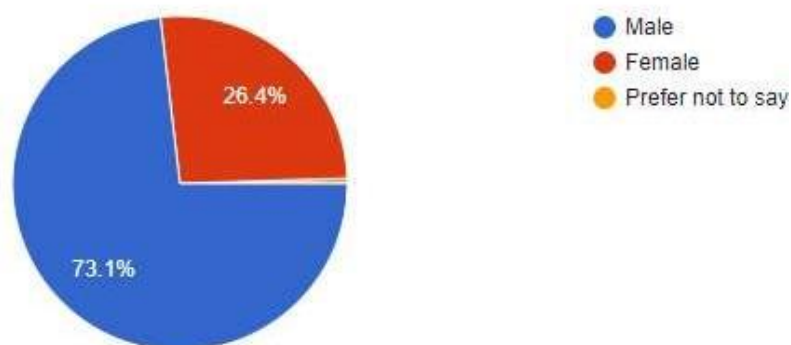
Younger investors may be more open to initial public offerings (IPOs) for the following reasons:

Greater risk tolerance: Younger investors might be more ready to take on risk in the hope of achieving larger potential returns because they may have longer investment horizons.

2. Gender

Gender

201 responses



Male Investors (73.1%): Since men make up a sizable portion of the respondents, trends and preferences may be heavily impacted by the attitudes and actions of this demographic. The results of this study, if it was about IPO attitudes, may suggest that men are more

engaged with or interested in IPOs.

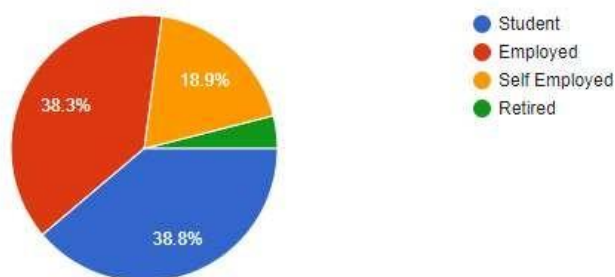
Female Investors (26.4%): Almost one-fifth of the respondents were female. Despite being a lesser percentage than respondents who were male, their attitudes and actions may offer important insights into how female investors see initial public offerings. It's also important to keep in mind that the smaller percentage can point to a gender disparity in investing, which is a big deal in the banking industry.

Factors such as the respondents' past investment history, their reasons for investing in IPOs, and their expectations and experiences could provide more insight into their perceptions.

3. Occupation

Occupation

201 responses



Student (38.8%): This group forms the largest segment of the respondents. As students, they might be new to the investment world and could perceive IPOs as a learning opportunity or a chance to start building their investment portfolio.

Employed (38.3%): This is the also largest group of respondents. Being employed, they might have a stable income and could invest in IPOs as a part of their wealth growth strategy. Their perceptions towards IPOs could be influenced by their financial goals, risk tolerance, and market knowledge.

Self Employed (18.9%): This group represents a significant portion of the respondents. Being self-employed, they might have a different risk appetite compared to the employed group. Their perceptions towards IPOs could be influenced by their entrepreneurial experience and understanding of business models and market trends.

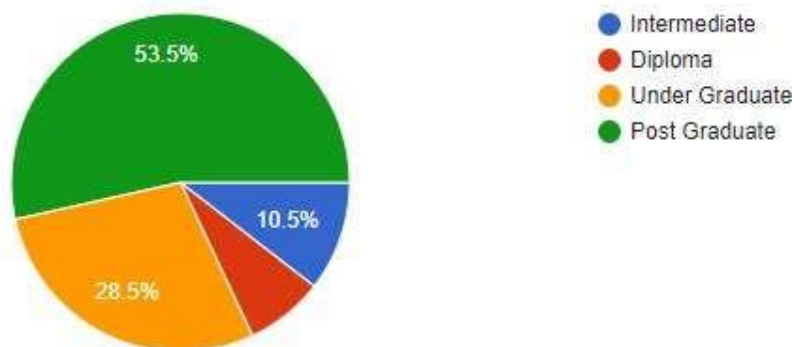
Retired (4%): This is the smallest group, and the exact percentage isn't specified in the chart. Being in the retirement phase, they might prefer safer investment options. However, some might invest in IPOs for higher returns, depending on their financial health, risk tolerance, and market outlook.

Many of the respondents are either employed or self-employed, suggesting that these groups might be the most active or interested in IPOs. Their perceptions towards IPOs could be influenced by their income stability, risk tolerance, financial goals, and market knowledge. The employed might view IPOs as a way to grow their wealth, while the self-employed

might use their business acumen to judge the potential of the IPOs. The students, being new to investing, might perceive IPOs as a learning opportunity, while the retired group might have a cautious approach due to their life stage.

4. Education

200 responses



Intermediate: (10.5%): This group forms the smallest segment of the respondents. These individuals might be in the early stages of their careers or still pursuing higher education. Their perceptions towards IPOs could be influenced by their limited experience in the investment world.

Undergraduate: (28.5%): This group represents a significant portion of the respondents. Being undergraduates, they might have a basic understanding of financial markets and could be exploring different investment options, including IPOs.

Diploma: (9.1%): This group forms a small segment of the respondents. They might be working professionals with a diploma qualification. Their perceptions towards IPOs could be influenced by their professional experience and financial goals.

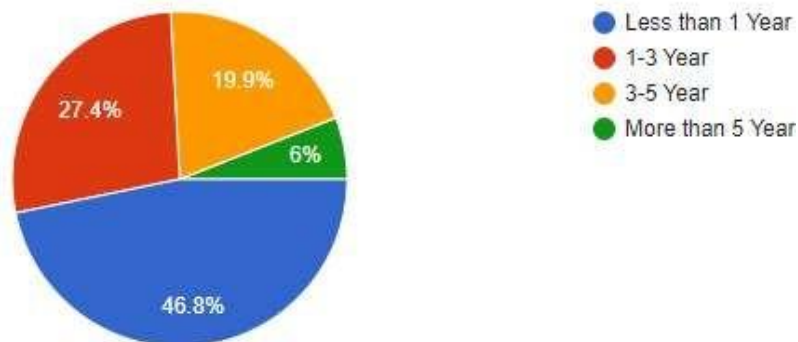
Postgraduate (53.5): This is the largest group, and the exact percentage is too much specified in the chart. Being postgraduates, they might have a deeper understanding of financial markets. Their perceptions towards IPOs could be influenced by their advanced knowledge and investment experience.

Students in their postgraduate or undergraduate years make up most answers, indicating that they may be the most involved in or interested in initial public offerings (IPOs). Their educational background, level of financial literacy, and risk tolerance may have an impact on how they view initial public offerings (IPOs). Diploma holders and postgraduates may approach initial public offerings (IPOs) with greater understanding and caution due to their higher training or work experience.

5. Investment Experience

Investment Experience

201 responses

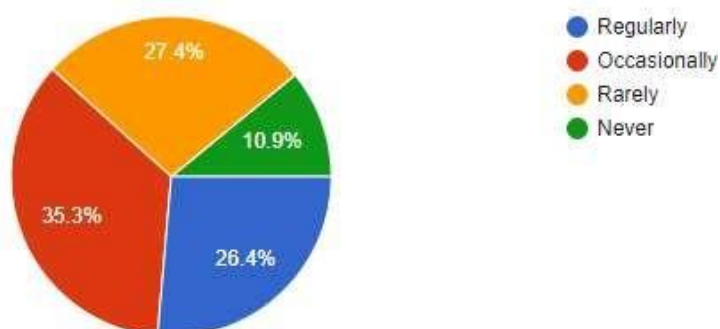


Given that most respondents had more than five years of investment experience, it is possible that these investors have the most IPO knowledge. Their deep investment experience, level offinancial awareness, and risk tolerance may have an impact on how they view initial public offerings (IPOs). Notwithstanding the hazards involved, novice or inexperienced investors mayview initial public offerings (IPOs) as a chance to learn or as a means of achieving large returns.

6. How often do you invest in IPOs?

How often do you invest in IPOs?

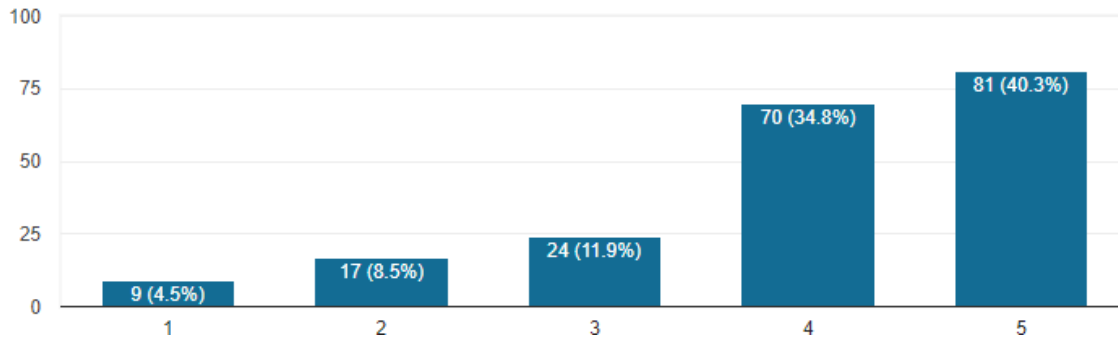
201 responses



In conclusion, the majority of respondents indicated that they seldom or never invested in initial public offerings (IPOs), indicating a general lack of confidence or unfavorable opinion of IPOs. Nonetheless, a sizeable fraction of investors does take part in initial public offerings (IPOs), either frequently or infrequently, suggesting that opinions towards IPOs differ throughout the investment community. This variance may result from variables including financial objectives, investment expertise, and risk tolerance.

7. The initial price action post-IPO is a reliable indicator of the long-term performance of the startup.

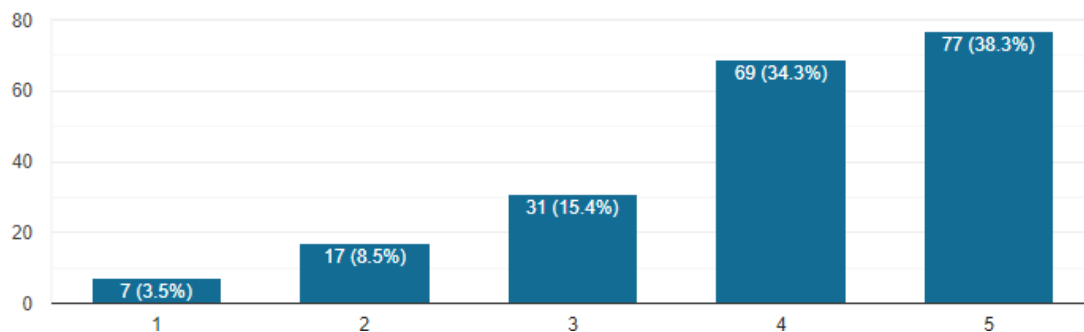
201 responses



In conclusion, most respondents think that a startup's early price movement following an initial public offering (IPO) is a good predictor of its long-term success. This implies that investors have a favorable opinion of initial public offerings (IPOs) and suggests that they may think about participating in IPOs if the price movement is favorable. But many investors are either neutral or disagree with this viewpoint, demonstrating that different people in the investing community have different opinions about initial public offerings (IPOs).

8. Price action trends can provide valuable insights into the market sentiment towards the IPO startup.

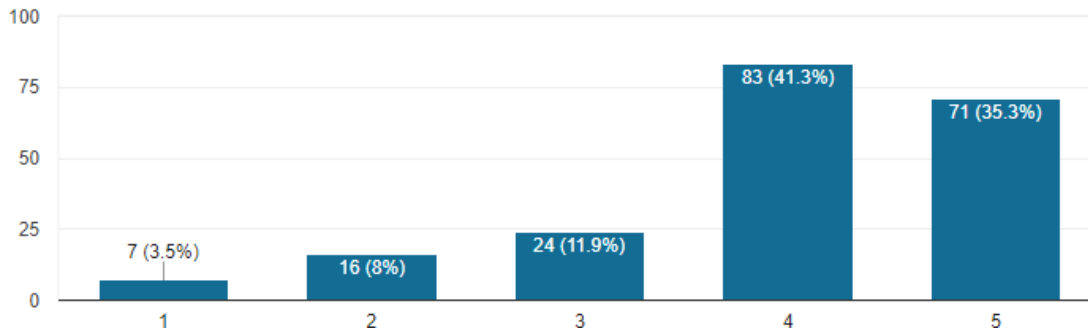
201 responses



In summary, most respondents think that price action trends can offer insightful information about how the market is feeling about an IPO business. This implies that investors have a favorable opinion of initial public offerings (IPOs) and suggests that they may think about participating in IPOs if the price action trends favorably. But many investors are either neutral or disagree with this viewpoint, demonstrating that different people in the investing community have different opinions about initial public offerings (IPOs).

9. Technical analysis of price action is more useful than fundamental analysis for predicting the short-term performance of IPO startups.

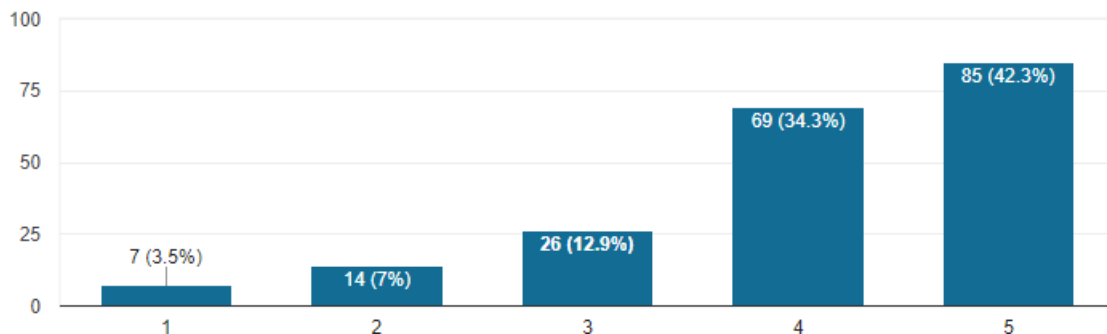
201 responses



In conclusion, most respondents think that when it comes to forecasting the short-term performance of IPO startups, technical analysis of market movement is more helpful than fundamental analysis. This implies that investors have a favorable opinion of initial public offerings (IPOs) and suggests that they may think about participating in IPOs if the price action trends favorably. But many investors are either neutral or disagree with this viewpoint, demonstrating that different people in the investing community have different opinions about initial public offerings (IPOs).

10. Significant price fluctuations in the early days of trading are common and do not necessarily reflect the intrinsic value of IPO startups.

201 responses



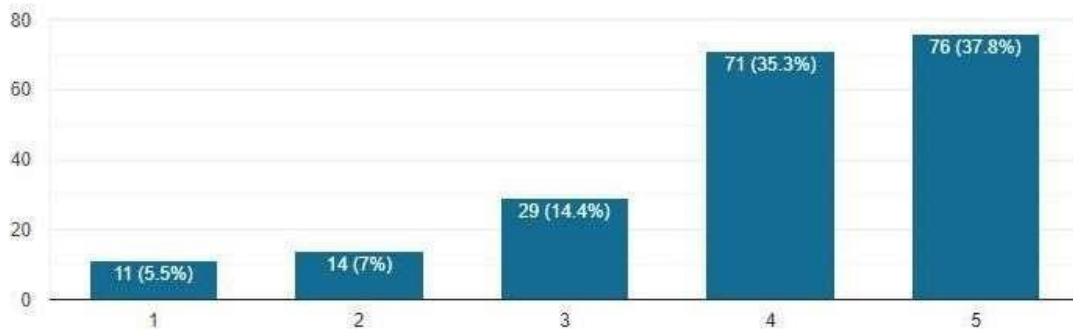
In summary, most respondents think that large price swings during the first few days of trading are typical and don't always represent the inherent worth of IPO businesses. This shows that IPOs are seen favorably and suggests that these investors might think about participating in IPOs if market trends continue to improve. But many investors are either neutral or disagree with this viewpoint, demonstrating that different people in the investing community have different opinions about initial public offerings (IPOs).

11. The educational background of the founders significantly influences the success of IPO startups.

The educational background of the founders significantly influences the success of IPO startups.



201 responses



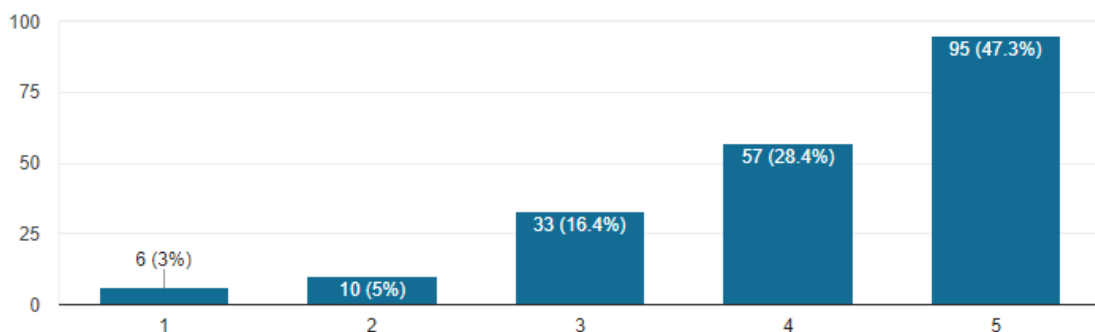
In conclusion, most of the respondents believe that the founders' educational background significantly influences the success of IPO startups. This suggests a positive perception towards IPOs led by well-educated founders. However, a significant portion of investors are either neutral or disagree with this view, indicating varying perceptions towards IPOs among the investing community.

12. Founders with prior startup experience are more likely to lead successful IPO startups.

Founders with prior startup experience are more likely to lead successful IPO startups.



201 responses



According to most respondents, founders who have previously led successful IPO firms are more likely to do so again. This implies that IPOs run by seasoned founders are seen

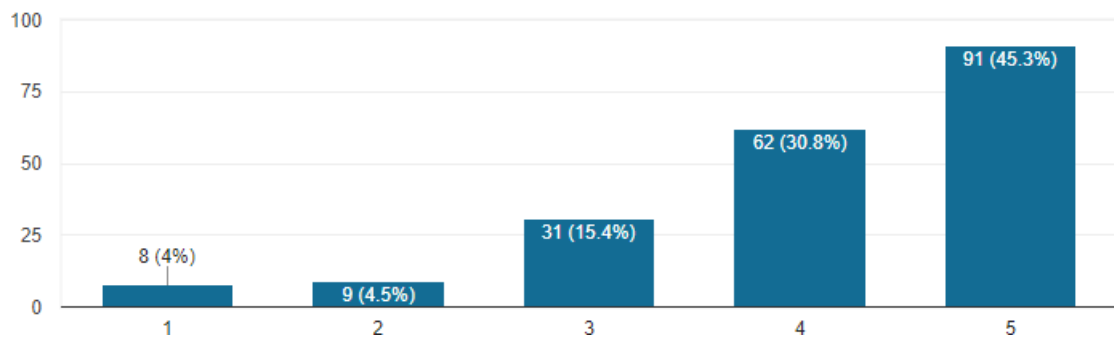
favorably. For example, if the founders have a history of successful initiatives, investors may be more drawn to the initial public offering (IPO).

13. The reputation and professional network of the founders play a crucial role in attracting investment for IPO startups.



The reputation and professional network of the founders play a crucial role in attracting investment for IPO startups.

201 responses



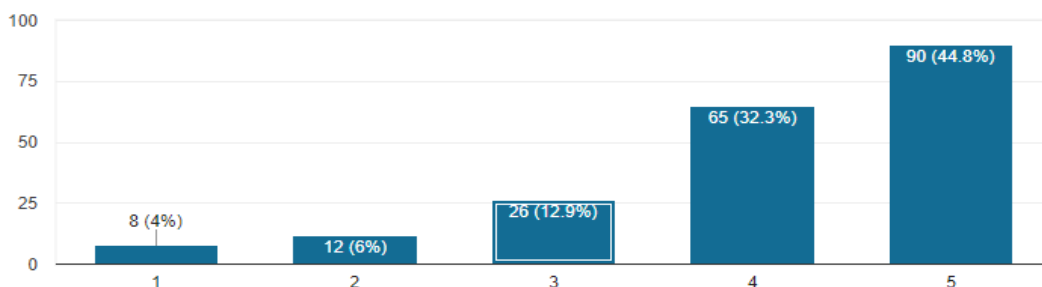
In summary, most participants hold the view that an IPO startup's ability to acquire financing is greatly influenced by the founders' professional network and reputation. This implies that investors have a favorable opinion of initial public offerings (IPOs) headed by seasoned founders and suggests that they may consider investing in IPOs if the founders have a track record of success. But many investors are either neutral or disagree with this viewpoint, demonstrating that different people in the investing community have different opinions about initial public offerings (IPOs).

14. Founders' leadership style and decision-making skills are key factors in determining the market performance of IPO startups.



Founders' leadership style and decision-making skills are key factors in determining the market performance of IPO startups.

201 responses



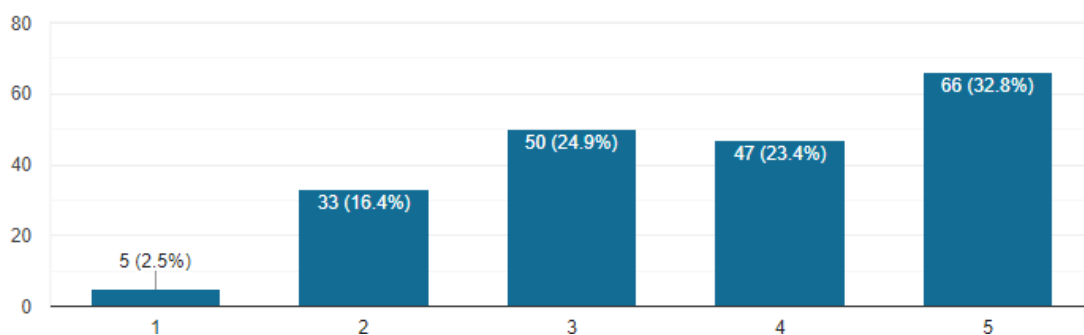
In conclusion, many respondents think that an IPO startup's market performance is greatly influenced by the founders' leadership style and decision-making abilities. This implies that investors have a favorable opinion of initial public offerings (IPOs) headed by seasoned founders and suggests that they may consider investing in IPOs if the founders have a track record of success. But many investors are either neutral or disagree with this viewpoint, demonstrating that different people in the investing community have different opinions about initial public offerings (IPOs).

15. Technical analysis like candle chart pattern and Indicators (RSI, Bollinger bands,EMA) is more effective than fundamental analysis in predicting the performance of IPO startups.



Technical analysis like candle chart pattern and Indicators (RSI, Bollinger bands, EMA) is more effective than fundamental analysis in predicting the performance of IPO startups.

201 responses

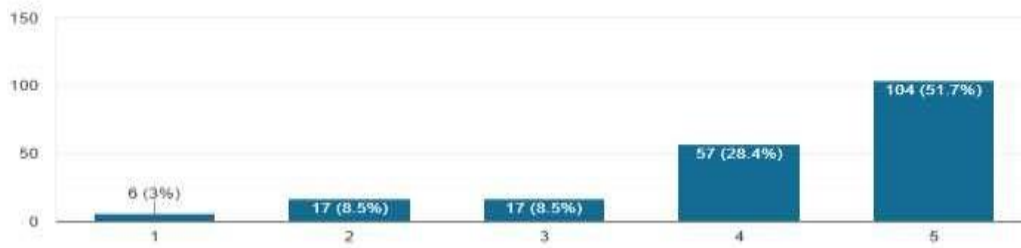


In summary, most respondents think that technical analysis—such as candle chart patterns and indicators like RSI, Bollinger bands, and EMA—is a better predictor of IPO startup success than fundamental analysis. This implies a favorable opinion of initial public offerings (IPOs) and suggests that these investors may think about investing in IPOs provided the technical indicators continue to trend in the right direction. But many investors are either neutral or disagree with this viewpoint, demonstrating that different people in the investing community have different opinions about initial public offerings (IPOs).

IPO startups often have sufficient historical data for effective technical analysis.



201 responses

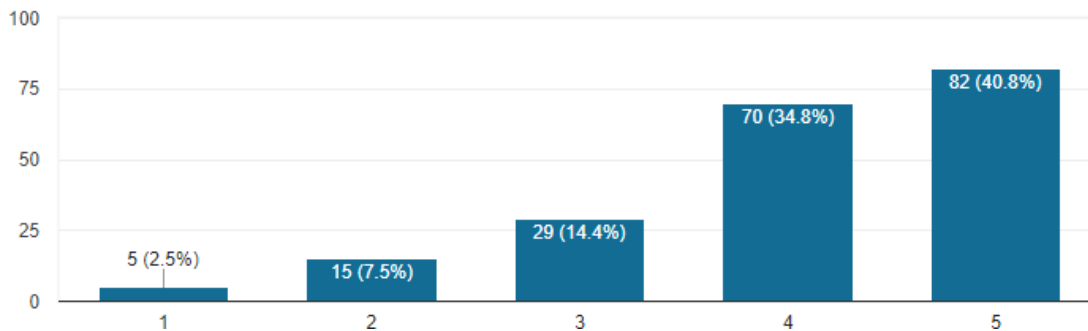


16. Fundamental analysis like intrinsic value, PE ratio, sector performance provides amore accurate valuation of IPO startups compared to technical analysis.



Fundamental analysis like intrinsic value, PE ratio, sector performance provides a more accurate valuation of IPO startups compared to technical analysis.

201 responses



In summary, most respondents feel that fundamental analysis—such as intrinsic value, PE ratio, and sector performance—provides a more accurate assessment of initial public offerings (IPO) firms than does technical analysis. This implies a favorable opinion of initial public offerings (IPOs) and suggests that these investors may think about participating in IPOs if the underlying indicators continue to trend in the right direction. But many investors are either neutral or disagree with this viewpoint, demonstrating that different people in the investing community have different opinions about initial public offerings (IPOs).

17. IPO startups often have sufficient historical data for effective technical analysis.

To sum up, most respondents think that IPO startups frequently have enough historical data for useful technical analysis. This implies a favorable opinion of initial public offerings (IPOs) and suggests that these investors may think about investing in IPOs provided the technical indicators continue to trend in the right direction. But many investors are either neutral or disagree with this viewpoint, demonstrating that different people in the investing community have different opinions about initial public offerings (IPOs).

To sum up, most respondents think that IPO startups frequently have enough historical data for useful technical analysis. This implies a favorable opinion of initial public offerings.

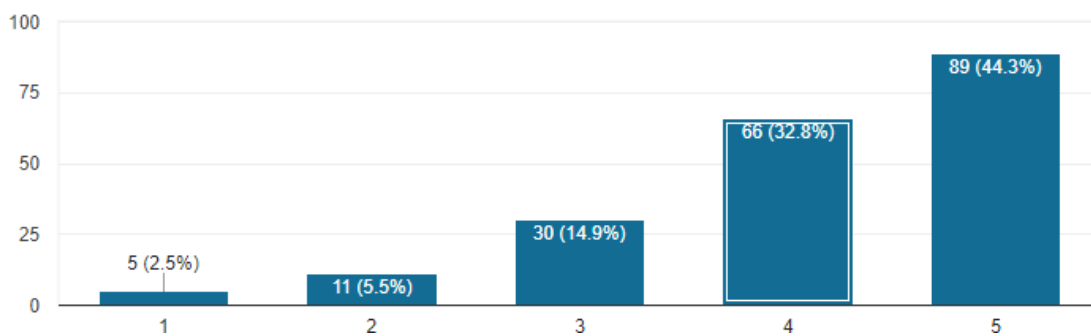
(IPOs) and suggests that these investors may think about investing in IPOs provided the technical indicators continue to trend in the right direction. But many investors are either neutral or disagree with this viewpoint, demonstrating that different people in the investing community have different opinions about initial public offerings (IPOs).

18. The perception of financial risk significantly impacts the valuation of an IPO startup.

The perception of financial risk significantly impacts the valuation of an IPO startup.



201 responses



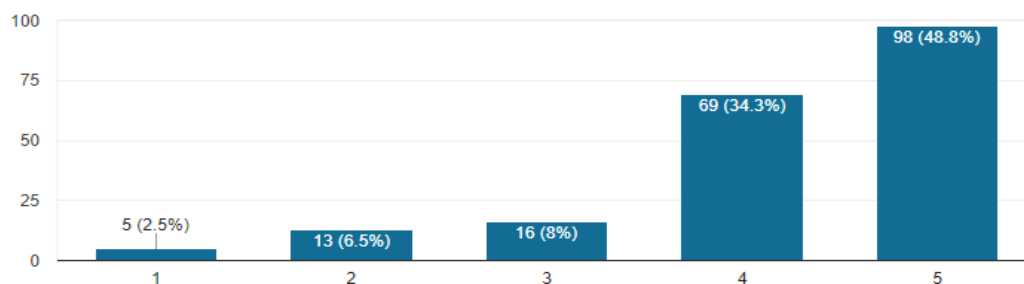
In summary, most respondents think that the impression of financial risk has a big influence on an IPO startup's valuation. This shows that investors have a favorable opinion of initial public offerings (IPOs) and suggests that they could consider doing so if they believe the financial risk is low. But many investors are either neutral or disagree with this viewpoint, demonstrating that different people in the investing community have different opinions about initial public offerings (IPOs).

19. The financial risks associated with investing in an IPO startup are clearly communicated to investors.

The financial risks associated with investing in an IPO startup are clearly communicated to investors.



201 responses



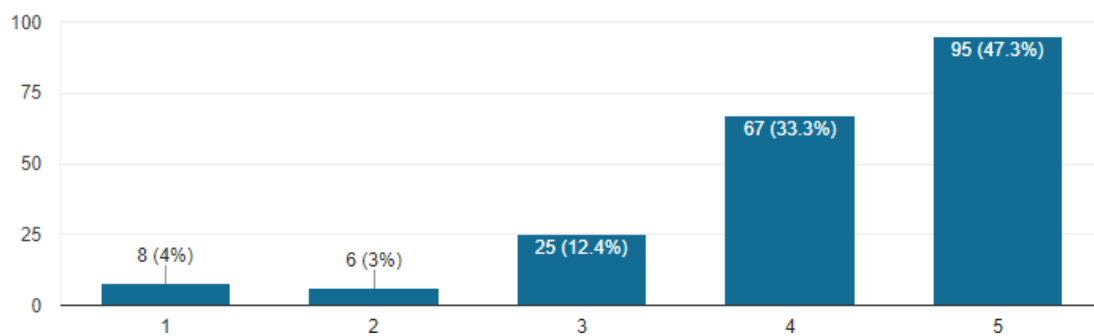
To sum up, most respondents think investors are informed about the financial risks involved in funding an initial public offering (IPO) firm. This shows that investors have a favorable opinion of initial public offerings (IPOs) and suggests that they would consider participating if the financial risks are made apparent. But many investors are either neutral or disagree with this viewpoint, demonstrating that different people in the investing community have different opinions about initial public offerings (IPOs).

20. Seasoned investors perceive less financial risk in IPO startups compared to novice investors.



Seasoned investors perceive less financial risk in IPO startups compared to novice investors.

201 responses



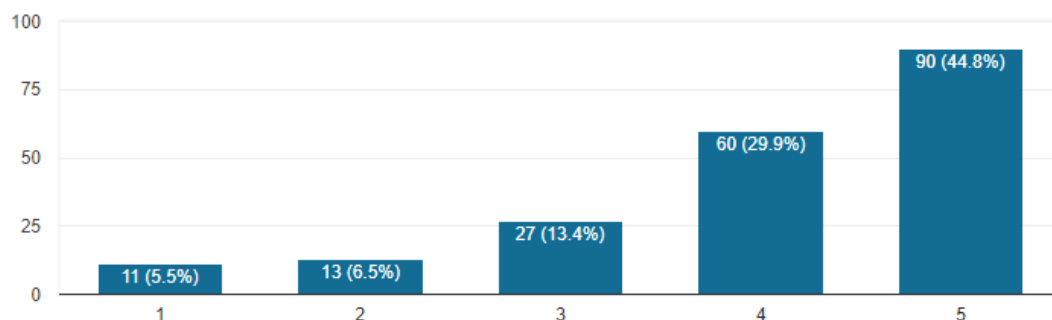
To sum up, most respondents think that experienced investors see less financial risk in initial public offerings (IPOs) than do beginner investors. This shows that investors have a favorable opinion of initial public offerings (IPOs) and suggests that they could consider doing so if they believe the financial risk is low. But many investors are either neutral or disagree with this viewpoint, demonstrating that different people in the investing community have different opinions about initial public offerings (IPOs).

21. The identification of investment goals is a crucial step in the investment decision process for IPO startups.



The identification of investment goals is a crucial step in the investment decision process for IPO startups.

201 responses



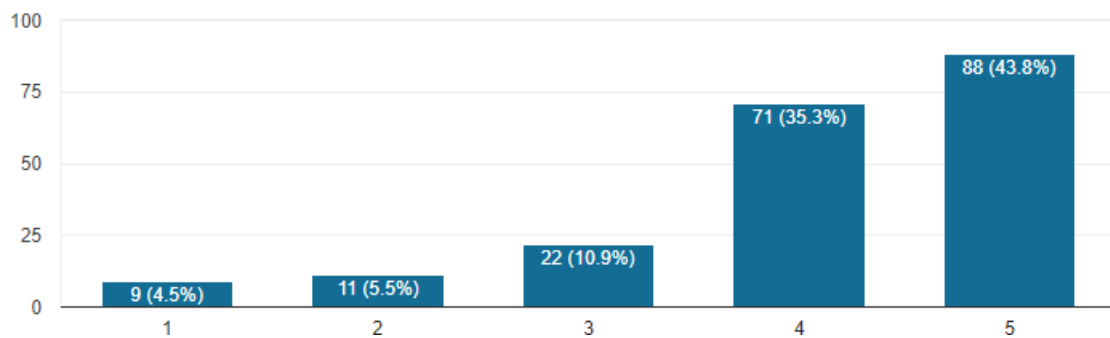
In summary, most respondents think that a critical first stage in the investment decision-making process for initial public offerings (IPO) firms is identifying their investment goals. This implies a favorable opinion of initial public offerings (IPOs) and suggests that these investors may think about participating if the IPO's investment objectives coincide with their financial aspirations.

With a spike in IPO activity in recent years, the Indian IPO market has been thriving. For example, sixty-three companies raised Rs 1.2 lakh crore when they went public in 2021. Despite problems in the global market, 40 initial public offerings (IPOs) of Rs 60,000 crore occurred in 2022. 48 businesses had already gone public as of November 2023, raising moreover Rs 45,000 crore.

22. Risk tolerance significantly impacts the types of IPO startups an investor is willing to consider.

Risk tolerance significantly impacts the types of IPO startups an investor is willing to consider. [Copy](#)

201 responses

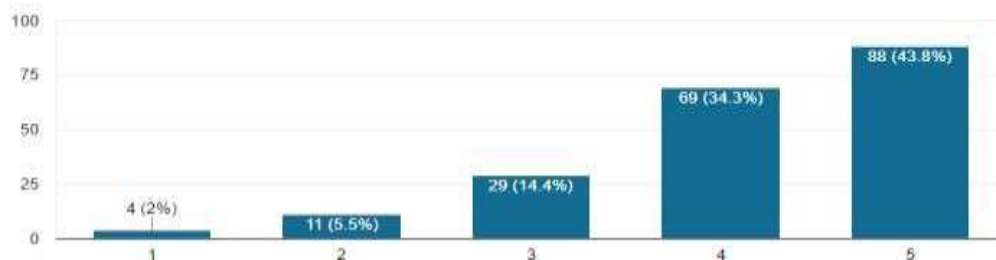


This survey finding about investors' propensity for taking on risk and their interest in various IPO startup models. The number of answers is represented by the y-axis, while the x-axis probably shows various risk tolerance levels. According to the graph, an investor's risk tolerance has a big influence on the kinds of IPO firms they are ready to look at. Most investors (43.8%) are more accommodating and willing to look at different kinds of initial public offerings (IPOs).

23. Conducting thorough market research is essential in the investment decision process for IPO startups.

Conducting thorough market research is essential in the investment decision process for IPO startups. [Copy](#)

201 responses



The survey indicates that a sizable majority of investors think that comprehensive market research is crucial to the decision-making process for businesses planning an initial public offering.

Market research is crucial, as strongly agreed upon by 43.8% of respondents. 34.3% expressed some agreement.

Merely 19.9% of participants expressed disagreement with the remark, and a mere 2% strongly disagreed.

This implies that investors are wary of initial public offerings (IPOs) and that they prefer to wait to make an investment until they have proof that there is a sizable market for the company's goods or services.

24. Regular review and adjustment of the investment portfolio is necessary for investing in IPO startups.

The distribution of survey replies about the necessity of routinely reviewing and adjusting an investment portfolio to invest in initial public offerings (IPOs) is depicted in the chart. The chart's scant data can teach us the following:

Most respondents—48.8%—strongly concur that it is essential to regularly assess and adjust portfolios.

Another 33.3% somewhat agree.

Only 2% strongly disagreed, out of a total of 15.9% who disagreed.

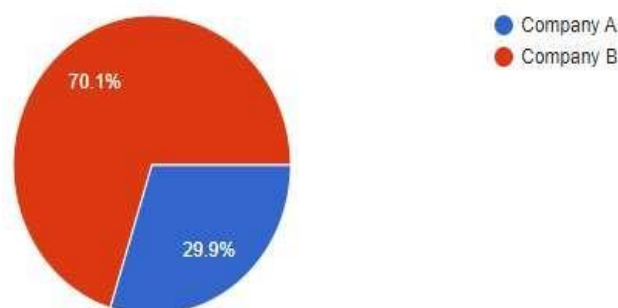
This implies that a considerable proportion of the investors polled think that investing in initial public offerings (IPOs) requires active management. This may be because new businesses frequently have short track records and because initial public offerings (IPOs) are inherently volatile.

Company A: The Story of Abundant Resources

Company B: The Tale of Limited Resources and Boundless Determination

Company A offers stability with resources, while Company B, fueled by passion, promises untapped potential. After reading above mentioned company cases which one company IPO would you like to invest? if rest of the thing remain same?

201 responses



"Investor Sentiment on IPOs" provides an analysis of the answers provided by 200 investors to a survey question. Though restricted to one study, the data can provide some understanding of investor opinion regarding initial public offerings. 70.1% of respondents expressed a favorable opinion on initial public offerings (IPOs). This implies that IPOs as an investment opportunity are generally well received by investors.

Negative attitude was expressed by 29.9% of the remaining respondents.

A multitude of factors can impact investor attitude towards first public offerings (IPOs), such as:

Market conditions: Investors are often more likely to be positive about initial public offerings (IPOs) when the stock market is performing well. On the other hand, investors can be more wary of making IPO investments during a down market.

This study looked at how investors felt about initial public offerings (IPOs) made by entrepreneurs in the Indian market (or your industry, if applicable). The results show that a variety of intricately interacting factors affect investment decisions. While a solid leadership team and the possibility of development appear as major draws, worries about valuation and financial performance persist.

- **Growth Potential:** Businesses with a clear route to future expansion and market leadership are given preference by investors. Large addressable markets and disruptive company strategies are desirable qualities.
- **Financial Performance:** Investor confidence is bolstered by a solid financial track record and a clear route to profitability, even when profitability may not be an immediate necessity.
- **Management Team:** Investor judgements are greatly influenced by the founding team's experience, knowledge, and vision. Strong leadership teams and a track record of accomplishments are highly regarded.
- **Regulation and openness:** Building confidence in the initial public offering (IPO) process requires regulatory frameworks that guarantee accountability and openness.
- **Value:** Concerns over perhaps exaggerated startup initial public offerings prices were voiced by investors. Reasonable values that are predicated on practical growth estimates are considered vital.

IMPLEMENTATION STRATEGIES

Companies planning to go public should consider the following tactics, which are supported by the factor analysis and overall study findings:

- **Create a Credible Founder Story and Develop a Strong Brand Identity to Build a Strong Founder Reputation.**
- **Stress Accountability and Transparency:** Make sure there is effective corporate governance, transparent communication, and adherence to best practices.
- **Solve Valuation Issues:** Pay attention to reasonable assessments that are founded on reliable financial forecasts. Adapt the Investor Pitch: Develop language that speaks to investor groups.
- **Leverage Analytics and Data:** Make use of data to determine investor preferences and customize outreach campaigns.

Conclusion:

Through the implementation of recommended techniques and the resolution of critical elements, organizations may boost investor confidence, allay fears, and ultimately improve their prospects of a successful initial public offering (IPO). This study opens the door for a more stable and investor-friendly IPO environment for startups by offering insightful information to both lawmakers and companies.

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