International Journal of Multidisciplinary Research and Development
Online ISSN: 2349-4182, Print ISSN: 2349-5979
Impact Factor: RJIF 5.72
Received: 05-02-2018; Accepted: 02-03-2018
www.allsubjectjournal.com
Volume 5; Issue 3; March 2018; Page No. 119-129

A study on the influence of personality type on the investment decision of individual investors in Coimbatore district

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Abstract
The most crucial challenge faced by the investors is perhaps in the area of taking investment decisions. Every investor differs from the other in all aspects due to various factors like socio-economic background, marital status, educational level, age, gender etc. The Big Five personality traits, also known as the five factor model (FFM), is a model based on common language descriptors of personality. Behavioural finance attempts to explain and increase understanding of the reasoning patterns of investors, including the emotional processes involved and the degree to which they influence the decision making process. Due to emergence of many products of investments the companies need to ascertain the preferences and perceptions of the investors from time to time, and frame necessary polices to adapt to their changing needs. This study aims to study on the influence of personality type on the investment decision of individual investors. The objectives are to identify and analyze individual investors' investment pattern, personality type, and preferences towards investment avenues, satisfaction evaluation of investment returns and the reasons for investment. 220 individual investors in Coimbatore district are taken for the study through convenience sampling and descriptive research is followed. Tools used for the study are Percentage analysis, Chi- Square Test, One Way ANOVA and Multiple Regression.

Keywords: behavioural finance, big five personality, investment pattern, investment decision, satisfaction of returns

Introduction
The most crucial challenge faced by the investors is perhaps in the area of taking investment decisions. Every investor differs from the others in all aspects due to various factors like socio-economic background, marital status, educational attainment level, age, gender etc. Investment behavior is the study of the decision making. Behavioural finance attempts to explain and increase understanding of the reasoning patterns of investors, including the emotional processes involved and the degree to which they influence the decision making process. Essentially, behavioural finance attempts to explain the what, why, and how of finance and investing, form a human perspective. It also studies the psychological and sociological factors that influence the financial decision-making process of individuals, groups.

Behavioral Finance
Behavioural finance is a discipline that attempts to explain and increase understanding regarding how the cognitive errors (mental mistakes) and emotions of investors influence the decision making process. It integrates the field of psychology, sociology, and other behavioural sciences to explain individual behaviour, to examine group behaviour, and to predict financial markets.

Big five personality traits
The Big Five personality traits, also known as the five factor model (FFM), is a model based on common language descriptors of personality. When factor analysis (a statistical technique) is applied to personality survey data, some words used to describe aspects of personality are often applied to the same person.
This theory uses descriptors of common language and therefore suggests five broad dimensions commonly used to describe the human personality and psyche. The five factors have been defined as openness to experience, conscientiousness, extraversion, agreeableness, and neuroticism, often represented by the acronyms OCEAN or CANOE.

Background of investment decision-making behaviour
When the historical development of the theories on investment activities is examined, it is discovered that the traditional portfolio approach was the dominant approach in the market until the 1950s. Although this approach lacked a scientific base, it is seen that it was the dominant view in the market for a long time due to the fact that its feasibility was relatively easy (Civan, 2007). In the traditional investment conception, the investors think that they can decrease the risk just by increasing the number of investment instruments they have without considering the relations between the yields of investment instruments (Demirtaş and Güngör, 2004). In the traditional investment approach, the investors are recommended to invest in the instruments with a high yield possibility; however, they are not informed about how the risk will be measured. The mean values of yields realised in the

past are defined as expected return (Reilly and Ve Brown, 1999). What is assigned importance in the traditional investment conception is how investors should behave instead of studying how they behave (Sönmez, 2010).

The study carried out by Markowitz in 1952 named "portfolio selection" pioneered the development of new theories in this field (Cihangir *et al*., 2008). The mean-variance model and optimal portfolio selection model defined by Markowitz formed the basis of most of the studies done in the field of investment (Kardiyen, 2008). With the help of the theory developed by Markowitz, it was suggested that the risk cannot be reduced just by increasing the number of financial instruments and the decision for investment should be made by taking into consideration the direction and degree of the relations among the investment instruments. Thus, the traditional portfolio approach lost ground (Demirtaş and Güngör, 2004).

According to the modern portfolio theory of Markowitz, it was predicted that the overall risk of portfolio could be lower than that of each of the financial assets and even in some cases, that the non-systematic risk of portfolio could be reduced to zero. Nevertheless, it was pointed out that investors could prefer some portfolios for being less risky although they produce the same amount of yield and again they could prefer others for higher yields even though they have the same level of risk (Markowitz, 1952).

In Harry Markowitz's opinion, the risk can be reduced considerably with reverse correlations among the investment instruments as well as by diversifying the investment instruments available in the investors' portfolio (Çetin, 2007). According to this theory, Markowitz preferred the portfolios with lower risks instead of the ones with higher yields while forming a portfolio and diversifying it (Civan, 2007).

Later on Fama developed the efficient market theory, firstly presented by Kendal (1953), and stated that stock quotation is formed randomly and will not change related to previous quotation. Trying to answer questions like "can an investor guess the future quotation considering the past price movements or statements of companies? (Karan, 2011)" Fama firstly in 1961 described the efficient market as "fast concord of the market into new information" and later described it broadly as "asset prices reflecting all the information in the current market" (Güngör, 2003).

As a result of the studies carried out in the following periods during which rational models failed to explain individual investor behaviours, it was found that the choices of individuals among various and risky choices conflicted with rational individual behaviours and as a result, a behavioural finance approach developed as a response to this approach. Behavioural finance developed rapidly as a result of the fact that the studies of psychologists were taken into consideration by economists and created an interest. Two studies by Kahneman and Tversky, who were interested in the subject, affected the area of finance deeply. Their first study, which was on shortcut-motive errors (Kahneman and ve Tversky, 1974), was published in 1974, whilst the second study, which was on frame dependency, was published in 1979 (Bayar, 2011), and these two people formed the basis for behavioural finance (Bayar, 2011).

Unlike existing theories, Kahneman and Tversky (1979) mentioned irrational investors in their studies. In this sense, the expectation theory they suggested aroused big interest. In this theory Kahneman and Tversky stated that investors concentrate on loss and gains at different levels. Also, Kahneman and Tversky argued that instead of expected risk, perceived risk must be taken into account. With his study entitled "integration of outcomes of psychological research into economy sciences and decision making against indecision" that he wrote with Tversky, Kahneman received the Nobel Prize for Economics in 2002. For Kahneman, this prize was an indicator that behavioural finance was widely and scientifically accepted.

Statement of the problem

There are various investment avenues arising in the markets. This creates confusion in the minds of the investors to choose a correct avenue of investment that is suitable for them. Due to emergence of many products of investments the companies need to ascertain the preferences and perceptions of the investors from time to time, and frame necessary polices to adapt to their changing needs. So this research is to fill the gap by trying to understand the investors' personality and helping the companies to offer the targeted investors with the investment avenue which is best suited for them. There is also a need to understand the various factors that influence the investment decisions of the investors. This offers suitable suggestions to the investors to make their investment in better way.

Objectives of the study

- To study on the influence of personality on the investment decisions of the individual investors.
- To identify the personality type of the individual investor.
- To identify the various pattern of investments made by the individual investor.
- To analyze the individual investors' preferences towards various investment avenues.
- To study on the investors' level of satisfaction towards their investment returns.
- To study on the reasons for the investment made by the individual investors.

Scope of the study

This study will help in gaining a better understanding of what an investor looks for in an investment options. This will empower the agents and brokers in marketing their existing financial instrument. It also helps in focusing on the personality type of investors and their investment decisions. The analysis helps in portfolio management, since it has the socio demographic factors. The study involves the factor and preferences that an investor will look in while investing in various instruments.

Methodology

Taking into consideration of the objective and the nature of the project, descriptive study has been adopted. Descriptive research can be explained as a statement of affairs as they are at present with the researcher having no control over variable. Since the aim of the project is to analyze the investment decisions of the individuals based on their personality type,

the descriptive research is carried out with specific objective and hence it results in definite conclusion. A convenience sampling method has been used to select the respondents from the population. The population for the study consists of all individual investors present at Coimbatore district, who have made investments in various avenues. The sample size which is taken for the research study is 220, by means of convenience sampling method. The sampling unit is the investors from the areas of Coimbatore district. The study has been carried out with the support of primary data. The secondary data has also been used to a limited extent. Primary data is collected through the Questionnaire.

Limitations of the study

As the nature of research being related to financial domain, there has been lesser disclosure from the part of the investor. But every effort was sincerely made to convince the respondent that the information given by them may be used for academic purpose. The area of study was limited to Coimbatore district only and if the same research would have been carried in another district, the results may vary. The sample size is limited due to the time constraint. The degree of accuracy of the research depends upon the honesty of the respondents in providing information. This research study is restricted only to selected variables even though there are more such variables related to study.

Results of the analysis

Percentage analysis

Demographics

It is observed from the table that the respondents categorized based on their demographics such as age, gender, marital status, educational qualification, occupation, family size, economic status, decision maker in the family and finally, place of living of the respondents in Coimbatore District.

Table 1: Demographics of the Respondents

S. No	Demographics	Respondents (220 Nos.)	Percentage (100%)
01	Gender		
	Male	116	52.7
	Female	104	47.3
02	Age		
	21-30	28	12.7
	31-40	60	27.3
	41-50	68	30.9
	51-60	48	21.8
	Above 60	16	7.3
03	Marital Status		
	Single	36	16.4
	Married	184	83.6
04	Educational Qualification		
	Higher Secondary School	8	3.6
	Graduate	96	43.6
	Post Graduate	84	38.2
	Professional Qualification	32	14.5
05	Occupation		
	Business	40	18.2
	Private Employee	68	30.9
	Government Employee	32	14.5
	Professionals	36	16.4
	Retired	8	3.6
	Home-Maker	36	16.4
06	Geographical Zone		
	Urban	104	47.3
	Semi-Urban	72	32.7
	Rural	44	20.0
07	Family Monthly Income		
	Below 50000	4	1.8
	50000-250000	128	58.2
	250001-500000	68	30.9
	Above 500000	20	9.1
08	No. Of Dependents		
	1	12	5.5
	2	72	32.7
	3	68	30.9
	4	44	20.0
	Above 4	24	10.9

Source: Primary Data

It is inferred that, 52.7% of the respondents are male and remaining 47.3% of the respondents are female. The maximum respondents fall under the category of 31-40 years and 41- 50 years. Only 16.4% of the respondents are single and the remaining 83.6% belong to the category of married. The majority of the respondents are having their education qualification as graduation and post graduation. Most of the respondents belong to the occupation of business and private employment. The majority of the respondents belong to the urban area. Most of the respondents fall under the income group of 50000-250000 per month and the income group of 250001-500000 per month. It is found that majority of the respondents have 2 dependents (32.7%) and 3 dependents (30.9%).

Investment decision

The investment decision study is based on the various aspects such as Savings Per Annum, Investment Frequency, Investment Duration, Investment Pattern/Choices, Sources Of Investment Information, Investment Experience, Risk Taking Level, Reasons For Investment, and Satisfaction Evaluation Of Investment Returns.

Table 2: Investment decision aspects

S. No	Aspects	Respondents (220 Nos.)	Percentage (100%)
01	Savings Per Annum		
	Less Than 50000	12	5.5
	50000-250000	140	63.6
	250001-500000	48	21.8
	Above 500000	20	9.1
02	Frequency Of Investment		
	Daily	28	12.7
	Monthly	60	27.3
	Quarterly	64	29.1
	Half Yearly	44	20.0
	Yearly	24	10.9
03	Duration Of Investment		
	Short Term Investment	28	12.7
	Long Term Investment	64	29.1
	Both	128	58.2
04	Investment Avenues Of Respondents		
	Fixed Deposits	183	18.4
	Postal Savings Schemes	62	5.0
	Gold	193	11.3
	Real Estate	123	7.3
	Chit Funds	142	15.8
	Insurance (Life Insurance/Mediclaim)	182	17.2
	Stocks/Equity	88	2.5
	Bonds/Debentures	107	6.3
	Mutual Funds	140	7.0
	Currency (Forex)	60	5.0
	Commodity	40	4.3
05	Investment Experience		
	2-5 Years	8	3.6
	6-10 Years	112	50.9
	11-20 Years	72	32.7
	21-30 Years	12	5.5
	More Than 30 Years	16	7.3
06	Risk Preference		
	Investments With Low Risk	52	23.6
	Investments With Moderate Risk	80	36.4
	Investments With High Risk	88	40.0
07	Satisfaction Evaluation Of Investment Returns		
	Highly Satisfied	44	20.0
	Satisfied	108	49.1
	Neutral	36	16.4
	Dissatisfied	20	9.1
	Highly Dissatisfied	12	5.5

***Source*:** Primary Data

The majority of the respondents have savings ranging from 50000-250000 per annum. Only 12.7% of the respondents invest daily, 27.3% of the respondents invest monthly, 29.1% of the respondents invest quarterly, 20% of the respondents

invest half yearly and the remaining 10.9% of the respondents invest yearly. Only 12.7% of the respondents invest in short term investments, 29.1% of the respondents invest in long term investments and the remaining 58.2% of the respondents invest in both the above categories. It is found that majority of the respondents have 6-10 years of investment experience.

18.4% of the respondents invest in fixed deposits, 5% of the respondents invest in postal saving schemes, 11.3% of the respondents invest in gold, 7.3% of the respondents invest in real estate, 15.8% of the respondents invest in chit funds, 17.2% of the respondents invest in insurance, 2.5% of the respondents invest in stock, 6.3% of the respondents invest in bonds/debentures, 7% of the respondents invest in mutual funds, 5% of the respondents invest in currency and the remaining 4.3% of the respondents invest in commodity. It is found that majority of the respondents prefer investments with high risk and prefer investments with moderate risk. It is found that majority of the respondents are satisfied with their investment returns.

Table 3: Sources of investment information

S. No	Aspects	Respondents (220 Nos.)	Percentage (100%)
1	Professional Advisers	180	19.7
2	Television	32	3.5
3	Magazines & Newspapers	140	15.3
4	Investment Websites & Blogs	164	17.9
5	Books	76	8.3
6	Family	152	16.6
7	Friends & Relatives	172	18.8

***Source*:** Primary Data

It is clear that, the respondents mostly get the investment information from the sources such as professional advisers, magazines & newspapers, investment websites & blogs, family and friends & relatives.

Table 4: Reasons for investment

S. No	Aspects	Respondents (220 Nos.)	Percentage (100%)
1	Profit Motive	112	12.1
2	Tax Saving	136	14.7
3	Safety	172	18.6
4	Capital Appreciation	212	22.9
5	Children's Education & Marriage	124	13.4
6	Retirement Benefit	92	10.0
7	Purchase Assets	76	8.2

***Source*:** Primary Data

We can infer that, the main reasons for the investments made by the respondents include, capital appreciation, safety, tax saving, children's education & marriage and profit motive.

Personality test

In the table below, for each statement, mark how much you agree with on the scale 1-5, where 1=disagree, 2=slightly disagree, 3=neutral, 4=slightly agree and 5=agree, in the box to the RIGHT of it.

Table 5

S. No	I…..	Rating	S. No	I…..	Rating
1.	Am the life of the party.		26.	Have little to say.	
2.	Feel little concern for others.		27.	Have a soft heart.	
3.	Am always prepared.		28.	Often forget to put things back in their proper place.	
4.	Get stressed out easily.		29.	Get upset easily.	
5.	Have a rich vocabulary.		30.	Do not have a good imagination.	
6.	Don't talk a lot.		31.	Talk to a lot of different people at parties.	
7.	Am interested in people.		32.	Am not really interested in others.	
8.	Leave my belongings around.		33.	Like order.	
9.	Am relaxed most of the time.		34.	Change my mood a lot.	
10.	Have difficulty understanding abstract ideas. (concepts that need to be visualized)		35.	Am Quick to understand things.	
11.	Feel comfortable around people.		36.	Don't like to draw attention to myself.	
12.	Insult people.		37.	Take time out for others.	
13.	Pay attention to details.		38.	Avoid / neglect my duties.	

14.	Worry about things.		39.	Have frequent mood swings.	
15.	Have a strong imagination & powerful feeling		40.	Use difficult words.	
16.	Keep in the background. (keeping aside)		41.	Don't mind being the centre of attention.	
17.	Sympathize with other's feelings.		42.	Feel others emotions.	
18.	Make a mess of things.		43.	Follow a schedule.	
19.	Rarely feel depressed.		44.	Get irritated easily.	
20.	Am not interested in abstract ideas.		45.	Spend time reflecting on things.	
21.	Start conversations.		46.	Am quiet around strangers.	
22.	Am not interested in other people's problems.		47.	Make people feel at ease. (comfortable)	
23.	Get tasks done right away.		48.	Am skillful in my work.	
24.	Am easily disturbed.		49.	Often feel sad.	
25.	Have excellent ideas.		50.	Am full of ideas.	

Personality test analysis [1]

The scores from the table are used to calculate the personality type of the individuals.

E = 20 + (1) ___ - (6) ___ + (11) ___ - (16) ___ + (21) ___ - (26) ___ + (31) ___ - (36) ___ + (41) ___ - (46) ___ = _____

A = 14 - (2) ___ + (7) ___ - (12) ___ + (17) ___ - (22) ___ + (27) ___ - (32) ___ + (37) ___ + (42) ___ + (47) ___ = _____

C = 14 + (3) ___ - (8) ___ + (13) ___ - (18) ___ + (23) ___ - (28) ___ + (33) ___ - (38) ___ + (43) ___ + (48) ___ = _____

N = 38 - (4) ___ + (9) ___ - (14) ___ + (19) ___ - (24) ___ - (29) ___ - (34) ___ - (39) ___ - (44) ___ - (49) ___ = _____

O = 8 + (5) ___ - (10) ___ + (15) ___ - (20) ___ + (25) ___ - (30) ___ + (35) ___ + (40) ___ + (45) ___ + (50) ___ = _____

The scores you calculate should be between zero and forty. Below is a description of each trait.

- Extroversion (E) is the personality trait of seeking fulfillment from sources outside the self or in community. High scorers tend to be very social while low scorers prefer to work on their projects alone.
- Agreeableness (A) reflects many individuals adjust their behavior to suit others. High scorers are typically polite and like people. Low scorers tend to 'tell it like it is'.
- Conscientiousness (C) is the personality trait of being honest and hardworking. High scorers tend to follow rules and prefer clean homes. Low scorers may be messy and cheat others.
- Neuroticism (N) is the personality trait of being emotional.
- Openness to Experience (O) is the personality trait of seeking new experience and intellectual pursuits. High scores may day dream a lot. Low scorers may be very down to earth.

[1] The Big Five Personality Test from, 'personality-testing.info' - courtesy ipip.ori.org

Personality Types

Table 6: Personality Types

S. No	Aspects	Respondents (220 Nos.)	Percentage (100%)
1	Extroversion	44	20.0
2	Agreeableness	40	18.2
3	Conscientiousness	56	25.5
4	Neuroticism	32	14.5
5	Openness to experience	48	21.8

***Source*:** Primary Data

We can infer that, 20% of the respondents have extroversion as their personality type, 18.2% of the respondents have agreeableness as their personality type, 25.5% of the respondents have conscientiousness as their personality type, 14.5% of the respondents have neuroticism as their personality type, and the remaining 21.8% of the respondents have openness to experience as their personality type.

Chi- square test

In order to find the relationship between the items this Chi-Square test is used. The test is carried on between the items of demographics, personality types and investment decision variables in order to understand their relationship. The hypothesis testing was done to find the relationship between the independent variable and the dependent factor.

H_0 = There is no significant association between the independent variable and the dependent factor.

Table 7: Chi- Square Tests

S. No	Aspects		Value	df	Asymp. Sig. (2-sided)
01	Personality Type And Duration Of Investment	Pearson Chi-Square	103.236[a]	8	.000
		Likelihood Ratio	113.402	8	.000
		Linear-By-Linear Association	7.204	1	.007
		N Of Valid Cases	220		
02	Risk Preference And Occupation	Pearson Chi-Square	117.865[a]	10	.026
		Likelihood Ratio	141.260	10	.000
		Linear-By-Linear Association	8.881	1	.003
		N Of Valid Cases	220		
03	Risk Preference And Frequency Of Investment	Pearson Chi-Square	267.268[a]	8	.004
		Likelihood Ratio	288.331	8	.000
		Linear-By-Linear Association	163.635	1	.000
		N Of Valid Cases	220		
04	Risk Preference And Duration Of Investment.	Pearson Chi-Square	76.175[a]	4	.002

		Likelihood Ratio Linear-By-Linear Association N Of Valid Cases	105.500 .861 220	4 1	.000 .353
05	Age And Stock/Equity Avenue Of Investment	Pearson Chi-Square Likelihood Ratio Linear-By-Linear Association N Of Valid Cases	45.358[a] 53.027 .076 220	12 12 1	.021 .000 .783
06	Age And Currency (Forex) Avenue Of Investment	Pearson Chi-Square Likelihood Ratio Linear-By-Linear Association N Of Valid Cases	48.428[a] 53.526 3.632 220	8 8 1	.001 .000 .057
07	Age And Commodity Avenue Of Investment	Pearson Chi-Square Likelihood Ratio Linear-By-Linear Association N Of Valid Cases	18.031[a] 23.022 4.696 220	8 8 1	.021 .003 .030
08	Educational Level And Stock/Equity Avenue Of Investment.	Pearson Chi-Square Likelihood Ratio Linear-By-Linear Association N Of Valid Cases	32.965[a] 40.110 1.444 220	9 9 1	.007 .000 .230
09	Educational Level And Currency Avenue Of Investment.	Pearson Chi-Square Likelihood Ratio Linear-By-Linear Association N Of Valid Cases	19.278[a] 20.378 6.150 220	6 6 1	.004 .002 .013
10	Occupation And Commodity Avenue Of Investment.	Pearson Chi-Square Likelihood Ratio Linear-By-Linear Association N Of Valid Cases	81.660[a] 83.564 2.894 220	10 10 1	.003 .000 .089
11	Occupation And Currency Avenue Of Investment.	Pearson Chi-Square Likelihood Ratio Linear-By-Linear Association N Of Valid Cases	95.091[a] 98.674 15.384 220	10 10 1	.001 .000 .000

Source: Primary Data

The following are the results from the Chi-Square tests:

- In Pearson Chi-Square Analysis, the significant value = 0.000, which is less than 0.05. So the null hypothesis (H_0) is rejected. There is significant association between personality type and duration of investment.
- In Pearson Chi-Square Analysis, the significant value = 0.026, which is less than 0.05. So the null hypothesis (H_0) is rejected. There is significant association between risk preference and occupation.
- In Pearson Chi-Square Analysis, the significant value = 0.004, which is less than 0.05. So the null hypothesis (H_0) is rejected. There is significant association between risk preference and frequency of investment.
- In Pearson Chi-Square Analysis, the significant value = 0.002, which is less than 0.05. So the null hypothesis (H_0) is rejected. There is significant association between risk preference and duration of investment.
- In Pearson Chi-Square Analysis, the significant value = 0.021, which is less than 0.05. So the null hypothesis (H_0) is rejected. There is significant association between age and stock/equity avenue of investment.
- In Pearson Chi-Square Analysis, the significant value = 0.001 which is less than 0.05. So the null hypothesis (H_0) is rejected. There is significant association between age and currency (forex) avenue of investment.
- In Pearson Chi-Square Analysis, the significant value = 0.021, which is less than 0.05. So the null hypothesis (H_0) is rejected. There is significant association between age and Commodity Avenue of investment.
- In Pearson Chi-Square Analysis, the significant value = 0.007, which is less than 0.05. So the null hypothesis (H_0) is rejected. There is significant association between educational level and stock/equity Avenue of investment.
- In Pearson Chi-Square Analysis, the significant value = 0.004, which is less than 0.05. So the null hypothesis (H_0) is rejected. There is significant association between educational level and currency avenue of investment.
- In Pearson Chi-Square Analysis, the significant value = 0.003, which is less than. So the null hypothesis (H_0) is rejected. There is significant association between occupation and Commodity Avenue of investment.
- In Pearson Chi-Square Analysis, the significant value = 0.001, which is less than 0.05. So the null hypothesis (H_0) is rejected. There is significant association between occupation and currency avenue of investment.

The rest of the factors do not have any significant association with each other.

ANOVA

The one-way analysis of variance (ANOVA) is used to determine whether there are any statistically significant differences between the means of two or more independent (unrelated) groups. The test is carried on between the items of demographics, personality types and investment decision variables in order to understand their significant differences. The satisfaction from investment returns is combined with various items for this analysis.

H_0 = There is no significant difference between satisfaction from investment returns and various aspects.

Table 8: ANOVA

S. No	Aspects		Sum Of Squares	Df	Mean Square	F	Sig.
01	Occupation And Satisfaction From Investment Returns.	Between Groups Within Groups Total	42.569 204.413 246.982	5 214 219	8.514 .955	8.913	.001
02	Frequency Of Investment And Satisfaction From Investment Returns.	Between Groups Within Groups Total	148.322 98.660 246.982	4 215 219	37.081 .459	80.806	.000
03	Duration Of Investment And Satisfaction From Investment Returns.	Between Groups Within Groups Total	60.553 186.429 246.982	2 217 219	30.277 .859	35.242	.005
04	Investment Experience And Satisfaction From Investment Returns.	Between Groups Within Groups Total	10.490 236.492 246.982	4 215 219	2.622 1.100	2.384	.052
05	Risk Preference And Satisfaction From Investment Returns.	Between Groups Within Groups Total	171.740 75.242 246.982	2 217 219	85.870 .347	247.651	.007
06	Personality Type And Satisfaction From Investment Returns.	Between Groups Within Groups Total	188.877 58.104 246.982	4 215 219	47.219 .270	174.723	.000

The following are the results of the ANOVA test:

- In Anova test, the significant value = 0.001, which is less than 0.05. So the null hypothesis (H_0) is rejected. There is significant difference between occupation and satisfaction from investment returns.
- In Anova test, the significant value = 0.000, which is less than 0.05. So the null hypothesis (H_0) is rejected. There is significant difference between frequency of investment and satisfaction from investment returns.
- In Anova test, the significant value = 0.005, which is less than 0.05. So the null hypothesis (H_0) is rejected. There is significant difference between duration of investment and satisfaction from investment returns.
- In Anova test, the significant value = 0.052, which is more than 0.05. So the null hypothesis (H_0) is accepted. There is no significant difference between investment experience and satisfaction from investment returns.
- in Anova test, the significant value = 0.007, which is less than 0.05. So the null hypothesis (H_0) is rejected. There is significant difference between risk preference and satisfaction from investment returns.
- In Anova test, the significant value = 0.000, which is less than 0.05. So the null hypothesis (H_0) is rejected. There is significant difference between personality type and satisfaction from investment returns.

The rest of the factors do not have any significant difference with each other.

Multiple Regression

Regression analysis is a set of statistical processes for estimating the relationships among variables. It includes many techniques for modeling and analyzing several variables, when the focus is on the relationship between a dependent variable and one or more independent variables. The regression analysis is used in order to test the influence of personality type on the various investment avenues.

The independent variable is personality type and the dependent variables are traditional investments and modern investments.

H_0 = There is no significance influence of personality type on traditional investment avenues.

Table 9: Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.046[a]	.002	-.002	.54391

a. Predictors: (Constant), Personality type

Table 10: ANOVA[a]

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	.138	1	.138	.467	.495[b]
	Residual	64.492	218	.296		
	Total	64.630	219			

a. Dependent Variable: TRADITIONAL INVESTMENT
b. Predictors: (Constant), PERSONALITY TYPE

The R value represents the simple correlation and value is 0.046, which indicates the average degree of correlation. The R^2 value (0.002) indicates how much of the total variation in the dependent variable Traditional Investment, can be explained by the independent variable, Personality Type. ANOVA table reports how well the regression equation fits the data (i.e., predicts the dependent variable). The results indicate that the overall model is not statistically significant as $p = 0.495$ (i.e., $p>0.05$) so, null hypothesis is accepted. There is no significant influence of personality type on traditional investment avenues of the individual investors. It is found that, the personality type of the individual investors have no influence on the preference of the traditional investment avenues. So, all kind of personalities prefers the traditional avenues as their investment choice.

H_0 = There is no significant influence of personality type on modern investment avenues.

Table 11: Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.148[a]	.022	.017	.66860

a. Predictors: (Constant), PERSONALITY TYPE

Table 12: ANOVA[a]

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	2.184	1	2.184	4.886	.028[b]
	Residual	97.450	218	.447		
	Total	99.634	219			

a. Dependent Variable: MODERN INVESTMENT
b. Predictors: (Constant), PERSONALITY TYPE

The R value represents the simple correlation and value is 0.148, which indicates the average degree of correlation. The R^2 value (0.022) indicates how much of the total variation in the dependent variable Modern Investment, can be explained by the independent variable, Personality Type. ANOVA table reports how well the regression equation fits the data (i.e., predicts the dependent variable). The results indicate that the overall model is statistically significant as $p = 0.028$ (i.e., $p<0.05$) so, null hypothesis is rejected. There is significant influence of personality type on modern investment avenues of the individual investors.

It is found that, the personality type of the individual investors have influence on the preference of the modern investment avenues. So, only specific kind of personalities prefers the modern avenues as their investment choice.

Summary of the results

Demographic study findings

- It is inferred that, **52.7%** of the respondents are **male** and remaining **47.3%** of the respondents are **female.**
- It is found that, the maximum respondents fall under the category of 31-40 years and 41- 50 years.
- It is inferred that, only 16.4% of the respondents are single and the remaining 83.6% belong to the category of married.
- It is found that majority of the respondents are having their education qualification as graduation and post graduation.
- It is found that majority of the respondents belong to the occupation of business and private employment.
- The majority of the respondents belong to the urban area.
- The majority of the respondents fall under the income group of 50000-250000 per month and the income group of 250001-500000 per month.
- It is found that majority of the respondents have 2 dependents (32.7%) and 3 dependents (30.9%).

Personality study findings

- We can infer that, 20% of the respondents have extroversion as their personality type, 18.2% of the respondents have agreeableness as their personality type, 25.5% of the respondents have conscientiousness as their personality type, 14.5% of the respondents have neuroticism as their personality type, and the remaining 21.8% of the respondents have openness to experience as their personality type.

Investment study findings

- The majority of the respondents have savings ranging from 50000-250000 per annum.
- Only 12.7% of the respondents invest daily, 27.3% of the respondents invest monthly, 29.1% of the respondents invest quarterly, 20% of the respondents invest half yearly and the remaining 10.9% of the respondents invest yearly.
- Only 12.7% of the respondents invest in short term investments, 29.1% of the respondents invest in long term investments and the remaining 58.2% of the respondents invest in both the above categories.

Investment Pattern

18.4% of the respondents invest in fixed deposits, 5% of the respondents invest in postal saving schemes, 11.3% of the respondents invest in gold, 7.3% of the respondents invest in real estate, 15.8% of the respondents invest in chit funds, 17.2% of the respondents invest in insurance, 2.5% of the respondents invest in stock, 6.3% of the respondents invest in bonds/debentures, 7% of the respondents invest in mutual funds, 5% of the respondents invest in currency and the remaining 4.3% of the respondents invest in commodity.

- It is clear that, the respondents mostly get the investment information from the sources such as professional advisers, magazines & newspapers, investment websites & blogs, family and friends & relatives.
- It is found that majority of the respondents have 6-10 years of investment experience.
- It is found that majority of the respondents prefer investments with high risk and prefer investments with moderate risk.

Reasons for investment

We can infer that, the main reasons for the investments made by the respondents include, capital appreciation, safety, tax saving, children's education & marriage and profit motive.

- We can infer that, real estate is considered as the best mode of investment avenue which is preferred by the respondents, followed by gold and currency (forex) is given the last preference.
- It is found that majority of the respondents are satisfied with their investment returns.

Individual investors' preferences study

- The respondents with personalities such as Extroversion, Conscientiousness and Openness to Experience prefer both short and long term investments. On the other end, the respondents with personalities such as Agreeableness and Neuroticism prefer long term investments.
- The respondents with occupation such as business and home- makers prefer investments with high risk and the respondents with occupation such as private employee, government employee, professionals and retired prefer investment with moderate risk.
- The respondents who invest daily and monthly prefers to invest in instruments with high risk, the respondents who invest quarterly and half yearly prefers to invest in instruments with moderate risk and the respondents who invest yearly prefers to invest in investments with low risk.
- The respondents who prefers short term investment, prefers to invest in investments with high risk, the respondents who prefers long term investment, prefers to invest in investments with moderate risk, and the respondents who prefers both short and long term investment, prefers to invest in investments with high and low risk.
- The stock is preferred as an investment avenue mostly by the investors belonging to the age group between 31- 40.
- The currency is preferred as an investment avenue mostly by the investors belonging to the age group between 31- 40 and 41- 50.
- The commodity is preferred as an investment avenue mostly by the investors belonging to the age group between 41- 50.
- The stock/equity is preferred as an investment avenue mostly by the investors having an educational level of post graduation.
- The currency is preferred as an investment avenue mostly by the investors having an educational level of graduation.
- The commodity is preferred as an investment avenue mostly by the investors belonging to the occupation of business.
- The currency is preferred as an investment avenue mostly by the investors belonging to the occupation of business.

Satisfaction evaluation of investment returns

- The respondents with occupation such as business and home- maker are highly satisfied with their investment returns, and rest of the respondents are both satisfied and dissatisfied with their investment returns.
- The respondents who invest daily, monthly and quarterly are more satisfied than those who invest half yearly and yearly.
- The respondents who invest in both short and long term investments are more satisfied than those who invest in separate categories.
- The respondents with different investment experience have no connection with the satisfaction from their investment returns.
- The respondents who take moderate and high risk are more satisfied than those who take low risk because when you take high risk you will get high return and vice versa.

So when return is more satisfaction is also more.

- The respondents with the personality type such as extroversion, agreeableness, conscientiousness and openness to experience are more satisfied. The respondents with the neuroticism personality are not satisfied with the returns from their investment.

Influence of personality on investment decision

- It is found that, the personality type of the individual investors have no influence on the preference of the traditional investment avenues. So all kind of personalities prefer the traditional avenues as their investment choice.
- It is found that, the personality type of the individual investors have influence on the preference of the modern investment avenues. So only specific kind of personalities prefer the modern avenues as their investment choice.

Suggestions

The investor should have some basic idea about the investment instruments and how it fits their portfolio and its importance. The media should encourage the public to invest their savings in diverse instruments and make their portfolio diverse and profitable. It is also important to understand the term hedging and the financial institution should help the investors in it, so as it reduces the risk level in higher profit and high risk customers. People should be aware of the benefits of the policy before buying it and should make sure that the agent clearly illustrates the every benefit of the selected policy. The instruments and their returns should be increased to attract more investors and various investment options can be made for risk neutral and medium term saver as they constitute largely in the market. The financial institution can also indulge in various types of awareness programs to educate the public regarding investment avenues.

Conclusion

This study was mainly carried on to study the influence of personality type on the investment decisions of the individual investors in the areas of Coimbatore district. From this study it can be concluded that, the personality type has an influence only on the modern investment avenues and not on the traditional investment avenues. So all kinds of personalities prefer the traditional investments and only specified personalities prefer modern investments.

The majority of the respondents prefer both short term and long term investments. The respondents mostly get the investment information from the sources such as professional advisers, magazines & newspapers, investment websites & blogs, family and friends & relatives. The main reasons for the investments made by the respondents include, capital appreciation, safety, tax saving, children's education & marriage and profit motive.

Yet, in spite of all these limitations, the results and findings of the study clearly prove, without any element of doubt that financial decision making is a complicated process and there is no one "correct" plan for every investor. The psychology and demography of the investor makes him a unique individual and he must be treated in a unique manner by the investment industry.

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