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ROLE OF TECHNOLOGY IN INVESTMENT DECISION MAKING

Mrs. V. Renuka
Research Scholar

Dr. S. Tamilarasi
Professor & Head, Department of Commerce, Faculty of Science and Humanities, SRMIST, Kattankulathur.

ABSTRACT

Given the importance of technology, India has emerged as one of the preferred investment destinations for investors from worldwide even during the most terrifying stage of the global financial disaster. As a result of the investors' high degree of confidence, the investment environment in India is improving every single day. India's economy is currently ranked as the fourth largest in the world. Its excellent GDP growth rate has propelled it to second place among all developing countries despite rising inflation, particularly in purchasing power. Forecasts indicate that the Indian economy will expand and surpass the US economy in size by 60%. In addition, macroeconomic conditions will be stable. Investment might be the main actor in all these circumstances. It is advisable to consider the performance of three key sectors, including security, infrastructure, and education, to understand the investment climate in India. The topic of the current study **"Role of Technology in Investment Decision Making"** is the part played by technology in choosing investments and taking wise investment decisions.

Keywords: Investment, Technology

INTRODUCTION

Since 1990, the Indian capital market has undergone a significant development. Technology and governmental rules have both undergone changes in several aspects. Investors' expectations are also evolving from time to time. The only constant aspect of the capital market is the "risk" associated with buying corporate securities. Risk management is becoming increasingly crucial for both big- and small-scale investors. Academics and professionals working in the capital markets are actively discussing risk management when it comes to investing in corporate securities. Institutions and academics have performed surveys and research assessments on risk management. The "risk aspect" of investing in corporate securities has been the subject of particular studies by Indian mutual fund firms. Even though there is a risk component, the rate of investment is increasing because technology is becoming a significant factor in investment decisions. With the use of mobile and internet services, investments are made simple, straight forward, quick, and easy.

REVIEW OF LITERATURE

Kandpal et.al. (2018) The study tries to examine investor behaviour towards investment patterns as well as the variables that affect investors investment decisions. In Uttarakhand, faculty members were polled utilizing a questionnaire. According to the research, behaviour has a significant impact on making wise investment decisions. As a result, when choosing an investment option, investors must fully consider factors such as life goals, spending patterns, expenses, incomes, perception of investments, lifestyle changes, time period, nature of investments, thought process, natural habits, financial knowledge, risk tolerance, liquidity, and the expected returns.

M. Zulkifli et al (2008) Investors must use information technology (IT) to guide future investment decisions through accurate analysis and judgement due to the uncertain and volatile market conditions of today. Based on this context, the mean-variance method and the investors judgement vector are included in this study to examine the performance of the portfolio selection model. The results imply that the model is effective in boosting the benefits of portfolio diversity by maximizing portfolio returns and minimizing risks, based on 128 samples of companies that were randomly picked from the Bursa Malaysia and studied over the period 2000-2008. In light of the findings, theoretical and practical consequences are given.

Kauffman. A et.al (2015) Information technology (IT) innovations present business and governmental entities with potentially profitable investment options. However, there are significant uncertainties involved in the decision-making process for IT investments, a concern for top executives for a very long time. Consumer, market, and regulatory reactions, IT-driven changes in operational and transactional performance, technology standards and competition, and future market conditions are just a few of the unknowns. The likelihood of adoption by organizations is influenced by all these factors. Therefore, when making decisions about IT investment, traditional capital budgeting, investment experience, and intuition have not been very useful. For IT investment under uncertainty, we provide a novel option-based stochastic valuation modelling strategy that includes a mean reversion procedure to account for changes in cost and benefit flows over time. We put the suggested method to use in two different business contexts: a sizable IT expenditure in the consolidation of data marts at a significant airline, and an infrastructure investment by a start-up in a mobile payment system. The applications provided evidence in support of the assessment of the suggested approaches and provided some examples of the types of managerial insights that could be discovered. We also discuss several extensions that show how project value sensitivity analysis and simulation-based least-squares Monte Carlo valuation can be used to enhance the modelling approach's ability to produce valuable management conclusions. The results are helpful in determining the effectiveness and worth of the strategy.

OBJECTIVES OF THE STUDY

- To study the influencing factors that make investors invest in various avenues by using modern technology
- To analyze the satisfaction level of investors in digital investments.

METHODOLOGY OF THE STUDY – DATA SOURCES

Primary Sources: This data includes both qualitative and quantitative data.

Research Approach : Survey method.

Research Instrument : Questionnaire.

Type of Questionnaire : Structured.

Type of Questions : Open-ended and Close-ended questions.

Secondary Sources : The data collected from journals, internet, reports, and publications.

SAMPLING TECHNIQUE

Convenience sampling was the sample technique employed because respondents for the questionnaire were conveniently taken from Chennai, the subject of the study. This study group was selected based on the convenience of obtaining the sample and the likelihood that they might make investments in Chennai.

DATA ANALYSIS

TABLE 1.1

Table Showing Demographic Profile of Investors

Particulars	Demographic Profile	Frequency	Percentage
Gender	Female	73	73
	Male	27	27
Age (years)	21-30	80	80
	31-40	11	11
	41-50	5	5
	Above 50	4	4
Occupation	Student	9	9
	Private employee	41	41
	Government employee	7	7
	Home maker	9	9
	Self-employed	34	34
Monthly	10,000 to 20,000	53	53
	20,000 to 30,000	15	15
	30,000 to 40,000	14	14

Income (Rs.)	40,000 to 50,000	4	4
	More than 50,000	14	14
TOTAL		**100**	**100.0**

Table 1.1 shows the Demographic Profile of investors investing where majority of the respondents **73%** are female respondents and **27%** of the respondents were male respondents. Majority **80%** of the respondents belong to the age group of 21-30 years. Also, **41%** of respondents are private employees and **34%** were self-employed and **7%** were government employees, **53%** of respondents belong to monthly income between Rs. 10,000 to 20,000.

TABLE 1.2

Table Showing the Buying Behavior or Preference of Investors towards Investing

Particulars	Buying Behavior	Frequency	Percentage
Person investing through online mode	Yes	77	77
	No	6	6
	May be	17	17
Money spent on investing	Less than 1000	17	17
	1000 to 5000	56	56
	5000 to 10000	22	22
	More than 10,000	5	5
Convenience of customers	Yes	62	62
	No	17	17
	May be	21	21
Preferred investment in various avenues	Shares and securities	6	6
	Bank deposits	36	36
	Mutual funds	4	4
	e-Gold	54	54
TOTAL		**100**	**100.0**

Table 1.2 shows that **77%** of respondents are person investing through online mode. **56%** of respondents spend an average of Rs. 1000 to 5000 and **22%** of the respondents spend amount from 5000 to 10000 for the purpose of investing. **62%** of the respondents are Convenient in making investments, for Preferred investment in various avenues **54%** of respondents prefer investing in e-gold.

TABLE 1.3

Table Showing the Influencing Factors that make Investors to e-invest

Particulars	Influencing Factors					Total	Rank
	Highly Agree	Agree	Neutral	Disagree	Highly Disagree		

Safest mode Of Investment	41	74	51	12	5	183	6
High liquidity	19	88	96	20	0	223	4
Low cost with high benefit	26	68	99	20	10	223	4
Less time consuming	26	58	87	52	15	238	3
Convenience	16	56	126	36	25	259	1
Status symbol	20	70	102	28	20	240	2

Source: Primary Data

Table 1.3 shows the influencing factors that make investors to e-invest. Convenience is the ultimate influencing factor that makes investors e-invest. Status symbols being the second most influencing factor that make investors e-invest, whereas less time consuming is the third influencing factor that make investors to go for e-invest. Liquidity and low cost with high benefit is the fourth influencing factor and safest mode of investment being the least factor that makes investors e-invest.

TABLE 1.4

Table Showing the Satisfaction Level of Investors on e-investing

Particulars	**Satisfaction level**	**Frequency**	**Percentage**
Satisfaction level of customers on scale from 1 to 5	1 (Highly Satisfied)	55	55
	2 (Satisfied)	30	30
	3 (Neutral)	10	10
	4 (Dissatisfied)	5	5
	5 (Highly Dissatisfied)	0	0
TOTAL		**100**	**100.0**

Table 1.4 shows the satisfaction level of investors on scale from 1 to 5, on e-investing in various avenues. It states that, most of the investors **55%** are highly satisfied on e- investing, **30%** are satisfied on e-investing. **10%** of respondents are neutral on e-investing. Only **5%** of the respondents are dissatisfied on e-investing.

SUGGESTIONS

The study has led to the following suggestions for the investors to make use of technology in their investment decisions:

- Investment risk must be to a minimum level, which will encourage respondents to contribute more to the economic growth of the country.
- The respondents (investors) must be educated on the various e-investment routes and their merits and demerits.

- The numerous investment opportunities must be made known to the e-investors of all age groups and income categories
- The investors require adequate training on the methods of e-investing before they start engaging in the modes of online investment.
- Better knowledge can be gained by investors on receiving SMS / mails sent by companies, agents, brokers, or the government.

CONCLUSION

According to the survey report, investing in gold schemes is a traditional way of saving. Investors consider e-investment on gold is a wise decision while compared to other type of investments. It is also very convenient for the investors in purchasing investment through online mode rather than in person in bulk at a time. Investing through online mode is also convenient and useful for the upcoming generations. The problems regarding e-investing like receiving hidden charges in case of processing fee should be revamped with different features. The study aided in finding the preference of investors towards e-investment in various avenues. The study also suggested that there should be a check on fraudulent activities or malpractices undertaken on e-investing in various avenues offered by the companies and government.

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