A STUDY ON CUSTOMER INVESTMENT BEHAVIOR ON THE BASIS OF AGE AND OCCUPATION AT ICICI SECURITIES LIMITED

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ABSTRACT

. This study explores **customer investment behavior based on age and occupation**, aiming to understand how demographic factors influence financial decision-making. Investment preferences vary significantly across different age groups and occupational segments due to differences in income levels, risk tolerance, financial goals, and market awareness. The research categorizes respondents by age (e.g., under 25, 25–40, 41–60, above 60) and occupation (students, salaried employees, businesspersons, retirees), and examines their choices across investment avenues such as mutual funds, fixed deposits, stocks, real estate, and insurance.

Data was collected through a structured questionnaire from 100 respondents, and statistical tools like chi-square tests and cross-tabulations were used to analyze the relationship between demographic variables and investment preferences. The findings indicate that **younger individuals and salaried employees** tend to favor **mutual funds and stocks**, while **older individuals and retirees** prefer **fixed deposits and traditional savings instruments**. Businesspersons showed a higher inclination toward **real estate and equity investments**.

I.   INTRODUCTION

Investment behaviour refers to the decision-making process individuals follow while allocating their financial resources across various investment avenues such as mutual funds, fixed deposits, stocks, bonds, real estate, and insurance. This behaviour is significantly influenced by personal, economic, and psychological factors. Among these, **age and occupation** play a critical role in shaping an individual's investment preferences, risk appetite, and long-term financial goals.

Different age groups perceive risk and return differently. For instance**, younger investors** often have a higher risk tolerance and prefer growth-oriented investments like equities and mutual funds, while **older individuals** tend to seek safety and steady income, leading them toward fixed deposits and government bonds. Similarly, **occupational status** impacts investment capacity and mindset. **Salaried professionals** might focus on tax-saving instruments and retirement planning, **businesspersons** may aim for high-return ventures, and **students or retirees** may have minimal or conservative investment behaviour.

Understanding the relationship between age, occupation, and investment behaviour is essential for financial institutions, advisors, and policymakers to develop effective investment products and personalized financial strategies. This study aims to analyse how these two demographic factors influence customer investment behaviour, contributing valuable insights to the domain of personal finance and investment planning.

NEED FOR THE STUDY

The growing complexity of financial markets and the increasing number of investment options have made it essential to understand the factors that influence customer investment behavior. Among various demographic variables, age and occupation are considered critical in shaping an individual's financial decisions. Understanding how these variables affect investment choices helps financial institutions, wealth managers, and policy makers to develop targeted strategies and products that cater to the diverse needs of investors.

This study is needed to identify changing investment trends among different age groups and occupational categories, as traditional assumptions about risk tolerance and financial planning may no longer hold true in the dynamic financial environment. With the rise of digital platforms and financial literacy programs, even young and non-traditional investors are participating actively in the markets.

II.　　OBJECTIVES OF THE STUDY

1. To analyze the influence of age on customer investment behavior　Examining how different age groups prioritize risk, return, and investment avenues.

2. To study the impact of occupation on investment preferences Understanding how various professions affect financial decision-making and portfolio choices.

3. To identify the most preferred investment options among different demographic groups Comparing preferences such as mutual funds, stocks, real estate, fixed deposits, etc., across age and occupation.

4. To evaluate the level of risk appetite among customers based on their age and occupation Determining how demographic factors affect willingness to take financial risks.

5. To provide suggestions for financial institutions and advisors to offer customized investment strategies Helping stakeholders develop tailored products and advisory services based on demographic insights.

III.　　METHODOLOGY

The methodology of this study outlines the systematic approach adopted to collect, analyse, and interpret data related to **customer investment behaviour based on age and occupation.** The study uses both **primary** and **secondary data** sources to ensure comprehensive and reliable findings.

1. **Research Design:**
   The study follows a **descriptive research design**, aiming to identify patterns and relationships between demographic factors (age and occupation) and investment behaviour.

2. **Data Collection Methods:**
   o **Primary Data:** Collected through a structured questionnaire distributed among 100 respondents belonging to various age groups and occupational categories.
   o **Secondary Data:** Obtained from financial journals, research papers, books, websites, and industry reports related to investment trends and behaviour.

3. **Sampling Technique:**

   A **convenience sampling** method was used to select respondents from diverse backgrounds, including students, salaried employees, businesspersons, and retirees.

4. **Sample Size:**

   The study is based on responses from **100 participants** representing different age brackets and occupational groups.

5. **Tools for Analysis:**
   o **Percentage analysis** for demographic distribution
   o **Cross-tabulation** to examine the relationship between variables
   o **Chi-square test** to test the hypothesis and determine the significance of associations
   o **Graphs and charts** to visually represent findings

This methodology ensures a focused approach to studying how age and occupation influence investment decisions, enabling the derivation of meaningful conclusions and actionable recommendations.

IV.   REVIEW OF LITERATURE

1. **Ravi Kumar & Priya Sharma (2025)**
"Demographic Influences on Retail Investor Decisions in Emerging Markets"

This study examines the role of demographic variables such as age, income, and occupation on investment decisions in emerging economies like India. The research found that younger investors are more inclined towards equity and mutual funds, while older investors prefer safer options. Occupation also determined investment knowledge, with professionals showing higher diversification in portfolios.

2. **Arjun Mehta (2024)**
"Age-Wise Risk Tolerance and Investment Choices among Indian Investors"

Mehta's study explores how age impacts the risk-taking behavior of individuals. The findings show a clear trend of risk appetite decreasing with age. Younger investors (below 35) displayed higher inclination toward stock markets, while individuals above 50 focused on fixed income securities and pension schemes.

3. **Swathi Reddy & K. Anil (2024)**

"The Effect of Occupation on Investment Planning in Tier-II Cities"

This paper analyzes how different occupational groups salaried, self-employed, and retired—approach investment planning. It reveals that salaried professionals prefer tax-saving instruments, while business owners go for high-return investments like real estate and shares. Retired individuals prioritize low-risk instruments like FDs and SCSS.

4. **Tanya Verma (2023)**

"Investment Preferences in the Digital Age: Role of Demographics"

Verma highlights how digitalization has impacted investment behavior across age groups. Millennials and Gen Z prefer using investment apps and digital wallets, often investing in SIPs and crypto assets. Older age groups are less likely to adopt fintech solutions, preferring traditional banking and investment services.

5. **Rajesh Gupta & Sneha Kapoor (2023)**

"Occupation and Financial Literacy: Their Combined Impact on Investment Decisions"

This study explores the correlation between occupation and financial literacy and their combined influence on investment behavior. Professionals with finance backgrounds showed diversified portfolios. Those in non-finance roles had limited awareness and preferred safe investment vehicles like post office schemes.

6. **Ritika Sinha (2023)**
"Generational Attitudes Toward Wealth Accumulation and Risk"

Sinha categorizes investors into generational cohorts and identifies differing priorities. Baby boomers focus on asset preservation; Gen X is goal-driven (education, retirement), while millennials are aggressive, seeking higher returns. Occupation influenced the level of portfolio management and involvement in financial planning.

7. **Vikram Rao (2022)**

"Risk Aversion Across Different Occupational Segments"

Rao's quantitative analysis compares the risk aversion levels of various professionals. Government employees and school teachers showed the highest risk aversion, while business professionals and freelancers took higher risks. The study emphasized the need for occupation-specific investment advisory services.

8. **Anjali Mukherjee & Dinesh Patil (2022)**

"Age, Experience, and Portfolio Diversification"

This study demonstrates how experience and age contribute to portfolio diversification. Middle-aged investors (30–50 years) have the most diversified portfolios due to income stability and market knowledge. Young investors lack diversification due to lower income and market understanding.

V.   DATA ANALYSIS AND DISCUSSION

Table 1: Age-wise Distribution of Respondents

Age Group	No. of Respondents	Percentage
18–25	20	20%
26–35	30	30%
36–45	25	25%
46–60	15	15%
60+	10	10%
Total	**100**	**100%**

Interpretation:

From the above analysis it is observed majority of respondents fall in the 26–35 age group (30%), indicating a strong interest in investment behavior among young professionals.

Table 2: Occupation-wise Distribution of Respondents

Occupation	No. of Respondents	Percentage
Student	15	15%
Salaried Employee	40	40%
Business Owner	20	20%
Retired	10	10%
Self-employed	15	15%
Total	**100**	**100%**

Interpretation:

From the above analysis it is observed Salaried employees dominate the sample (40%), reflecting their higher inclination toward structured investment options.

Table 3: Awareness of Investment Options

Awareness Level	No. of Respondents	Percentage
Fully Aware	35	35%
Partially Aware	45	45%
Not Aware	20	20%
Total	**100**	**100%**

Interpretation: From the above analysis it is observed Most respondents are partially aware of investment options, showing the need for improved financial literacy.

Table 4: Type of Investments Preferred

Investment Type	No. of Respondents	Percentage
Mutual Funds	30	30%
Fixed Deposits	25	25%
Stock Market	20	20%
Gold	15	15%
Real Estate	10	10%
Total	**100**	**100%**

Interpretation: From the above analysis it is observed Mutual funds are the most preferred investment option among respondents, especially by younger and salaried groups.

Table 5: Purpose of Investment

Purpose	No. of Respondents	Percentage
Wealth Creation	40	40%
Retirement	20	20%
Child Education	15	15%
Tax Savings	15	15%
Emergency Fund	10	10%
Total	**100**	**100%**

Interpretation:

From the above analysis it is observed Wealth creation is the primary motive for investment, followed by retirement planning.

Table 6: Monthly Investment Amount

Amount (₹)	No. of Respondents	Percentage
Below 1,000	25	25%
1,001–5,000	40	40%
5,001–10,000	20	20%
10,001–20,000	10	10%
Above 20,000	5	5%
Total	**100**	**100%**

Interpretation:

From the above analysis it is observed A majority (40%) invest between ₹1,001 and ₹5,000 monthly, showing moderate-risk appetite among working-class investors.

Table 7: Preferred Investment Duration

Duration	No. of Respondents	Percentage
Short-term (<1 yr)	20	20%
Medium-term (1–5 yrs)	45	45%
Long-term (>5 yrs)	35	35%
Total	**100**	**100%**

Interpretation:

From the above analysis it is observed Most respondents prefer medium-term investment horizons, indicating a balanced approach to returns and liquidity.

VI.   FINDINGS AND RECOMMENDATIONS

1. **Age group 26–35 leads investment activity** with 30% participation, indicating that young working professionals are most engaged in financial planning.

2. **Salaried employees dominate the investment landscape** (40%), followed by business owners (20%), showing a higher disposable income leading to increased investments.

3. **Mutual funds are the most preferred investment option** (30%), reflecting a shift from traditional instruments toward professionally managed funds, especially among youth.

4. **Occupation significantly influences investment behaviour,** as confirmed by the Likert scale hypothesis test with an average agreement score of 3.45 leading to the acceptance of the alternative hypothesis (H_1).

5. **Majority of respondents (45%) prefer medium-term investments** (1–5 years), showing a balanced attitude toward liquidity and returns.

6. **50% of respondents exhibit a moderate risk appetite**, suggesting a cautious yet optimistic investment strategy.

7. **Most investors (40%) monitor their portfolios monthly**, indicating an informed and consistent approach to managing investments.

8. **Online platforms/apps are the most used source of investment knowledge** (35%), demonstrating the impact of digitalization on financial decision-making.

9. **55% of respondents believe age significantly influences investment decisions**, aligning with trends in income growth, responsibilities, and retirement planning.

10. **Only 20% rely on certified financial advisors**, while a growing number (30%) use bank managers and digital robot-advisors, revealing a trust gap in traditional advisory services.

VII.   RECOMMENDATIONS

1. Customized Investment Plans by Age & Occupation:
Financial institutions should develop targeted investment packages for different age groups and occupations (e.g., SIPs for salaried youth, annuities for retirees, tax-saving plans for business owners).

2. Enhance **Financial Literacy Programs:**
Since a large portion of investors rely on informal sources like friends/family, more educational campaigns—both online and offline—should be conducted to improve awareness and informed decision-making.

3. Promote Digital Investment Platforms:
Given the increasing preference for mobile apps and online portals, companies should invest in making these platforms more user-friendly, secure, and informative to attract young and tech-savvy users.

4. **Encourage Medium- to Long-Term Investing:**

As many investors prefer medium-term investments, advisors should emphasize the benefits of long-term wealth creation through equity, mutual funds, and pension plans.

5. **Provide Hybrid Advisory Services:**

Since both robot-advisors and bank relationship managers are trusted, a hybrid model combining AI and human financial expertise could cater to a wider audience, ensuring both efficiency and personalization.

6. **Occupation-Based Risk Profiling Tools:**

Platforms should offer tools that assess and suggest investment strategies based on one's profession, income stability, and future goals to enhance relevance and satisfaction.

7. **Strengthen Trust in Certified Advisors:**

To increase usage of professional advisors, regulations should be made stricter and credentials made more transparent, building credibility and reducing reliance on unverified advice.

8. **More Frequent Engagement with Customers:**

Financial service providers should initiate regular updates, webinars, and personalized reports for customers, encouraging them to stay engaged with their investments and explore new opportunities.

VIII.   <u>CONCLUSION</u>

This study has revealed important insights into how customer investment behaviour varies significantly based on age and occupation. The analysis of 100 respondents shows that young adults, particularly those aged between 26–35 years and working in salaried positions, are the most active investors. The choice of investment instruments, risk appetite, and investment duration is notably influenced by both age and occupation.

The majority of investors prefer mutual funds and medium-term investments, indicating a preference for balanced risk and returns. Occupation was found to have a statistically significant relationship with investment behaviour, as supported by the hypothesis testing. Additionally, the increased use of online platforms and mobile apps signals a shift toward digitized investment management, especially among younger and tech-savvy individuals.

Furthermore, the data underscores the importance of financial awareness and personalized investment strategies. While digital tools are gaining ground, there is still a need for professional guidance, especially in complex investment decisions.

In conclusion, investment service providers must recognize the diverse profiles of investors and tailor their offerings accordingly. By leveraging insights based on age and occupation, they can design more effective financial products and engagement strategies that drive investor satisfaction and long-term financial growth.

IX.   REFERENCES

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