ISSN (Online): 2455-3662
EPRA International Journal of Multidisciplinary Research (IJMR) - Peer Reviewed Journal
Volume: 11| Issue: 12| December 2025|| Journal DOI: 10.36713/epra2013 || SJIF Impact Factor 2025: 8.691 || ISI Value: 1.188

AN INVESTOR PERCEPTION ON EQUITY MARKET

Ms. Thakur Nikitha[1], Dr. G. Ramesh[2]
[1]MBA Student (24881E0057), Department of Management Studies,
Vardhaman College of Engineering, Shamshabad, Hyderabad, Telangana.
[2]Associate Professor, Department of Management Studies,
Vardhaman College of Engineering, Shamshabad, Hyderabad.

Article DOI: https://doi.org/10.36713/epra25371
DOI No: 10.36713/epra25371

ABSTRACT
Investor perception plays a crucial role in shaping investment decisions and influencing movements in equity markets. This study examines the factors affecting investor perception, including risk awareness, market information, economic conditions, return expectations, and behavioral biases. By analyzing how investors interpret market signals and respond to fluctuations, the study aims to understand the underlying psychology that drives investment choices. The findings contribute to a deeper understanding of investor behaviour, helping companies, policymakers, and market participants develop strategies that enhance transparency, trust, and informed decision-making in the equity market ecosystem.

INTRODUCTION
Equity markets play a vital role in the financial system as they facilitate capital formation, support business expansion, and offer investors opportunities for long-term wealth creation. Over the years, equity investing has evolved from being limited to institutional and high–net-worth participants to becoming accessible to a broad spectrum of retail investors. The democratization of financial markets—driven by technology, digital platforms, lower brokerage costs, and increased financial literacy—has enabled individuals from diverse backgrounds to participate in equity trading and investment activities. As participation grows, the way investors perceive equity markets becomes increasingly important in understanding overall market dynamics.

Investor perception is shaped by a combination of rational and emotional factors. While some investors evaluate markets based on fundamentals such as earnings performance, industry prospects, and macroeconomic indicators, others are influenced by psychological biases, peer behaviour, media reports, and market sentiment. Economic conditions—including inflation levels, interest rates, monetary policies, and global economic cues—also significantly impact how investors interpret market trends. Additionally, personal financial aspirations, such as wealth accumulation, retirement planning, or short-term gains, guide individual approaches to investment risk and return expectations.

In recent years, heightened market volatility, geopolitical uncertainties, and the rapid flow of financial information have made investor perception even more dynamic and sensitive. With the emergence of social media platforms, market news circulates at an unprecedented pace, often amplifying investor reactions. This rapid dissemination of information can lead to herd behaviour, speculative decisions, or shifts in confidence that may not always align with underlying fundamentals. Understanding these shifts in perception is essential for policymakers, regulators, and financial institutions to build transparent, well-functioning markets that protect investors and maintain market stability.

Research Problem
Despite the increasing participation of individuals in equity markets, there remains a significant gap in understanding how investors perceive market risks, returns, and overall market stability. Many investors rely on incomplete information, personal biases, or herd behaviour, which may impact their investment decisions. Therefore, the research problem is:
"What factors influence investor perception toward equity markets, and how do these perceptions affect their investment decisions?"

OBJECTIVES
- To examine the level of awareness investors have about equity markets.
- To analyze the factors influencing investor perception.
- To study the relationship between investor perception and investment decisions.

STASTICAL TOOLS
1) Demographic Information
Purpose: Describe your sample and check relationships between demographics and other variables.
Tools :-**Descriptive statistics** — frequencies and percentages for categorical variables (age groups, gender, education, income); mean/SD for any numeric demographic (age if continuous)

2) Investment Profile
Purpose : To compare investment behaviors with demographic categories (e.g.,experience vs age group)
Tools : Crosstab Analysis

ISSN (Online): 2455-3662
EPRA International Journal of Multidisciplinary Research (IJMR) - Peer Reviewed Journal
Volume: 11| Issue: 12| December 2025|| Journal DOI: 10.36713/epra2013 || SJIF Impact Factor 2025: 8.691 || ISI Value: 1.188

3) Perception and Behavioural Aspects (Likert scale)
Purpose: To measure the internal consistency of your Likert-scale items and check data reliability.This is the most appropriate tool for Likert-based perception analysis.
Tools : Cronbach's Alpha (Reliability Test)

REVIEW OF LITERATURE

Investor Perception Singh et.al., (2021) explores the perceptions of investors in Asia towards stock market investment. It identifies key indicators like neutral information, accounting information, and social relevance that influence investor decisions.

Panchal et.al, (2022) focuses on the problems faced by investors in the equity derivatives market and their behavior. It highlights the importance of understanding speculation strategies to reduce risk. The factors considered by individual investors for equity investment, such as company image, financial performance, and management group (Sinthiya, 2024). It emphasizes the need for companies to tailor their marketing strategies to different investor preferences.

Bhuvaneswari & Varghese (2022) investigates investor perceptions towards initial public offerings (IPOs) after the COVID-19 crisis, highlighting the factors influencing their investment decisions during the pandemic Investor Behaviour Towards Investment Avenues The research conducted by Hemalatha et.al (2019), identifies the goals and constraints of investors in Moradabad, Uttar Pradesh. It suggests that investors should consider various avenues while investing, taking into account their age and risk tolerance.
Santhosh (2024) categorizes equities into large-cap, mid-cap, and small-cap stocks and analyses investor perceptions towards these categories. It highlights the importance of evaluating stocks based on liquidity, profitability, risk, solvency, and operating efficiency.
Ashalatha & Latha (2023) conducted a study that provides an overview of the Indian stock market's history and the range of available investment options. It highlights the increasing awareness among Indians about stock market investment.

Factors affecting behaviour Gujrathi & Kumar (2023), investigates the behavior of male and female investors in Vadodara, revealing that fewer women invest in the stock market due to lack of awareness and interest. It suggests targeted initiatives to increase female participation.

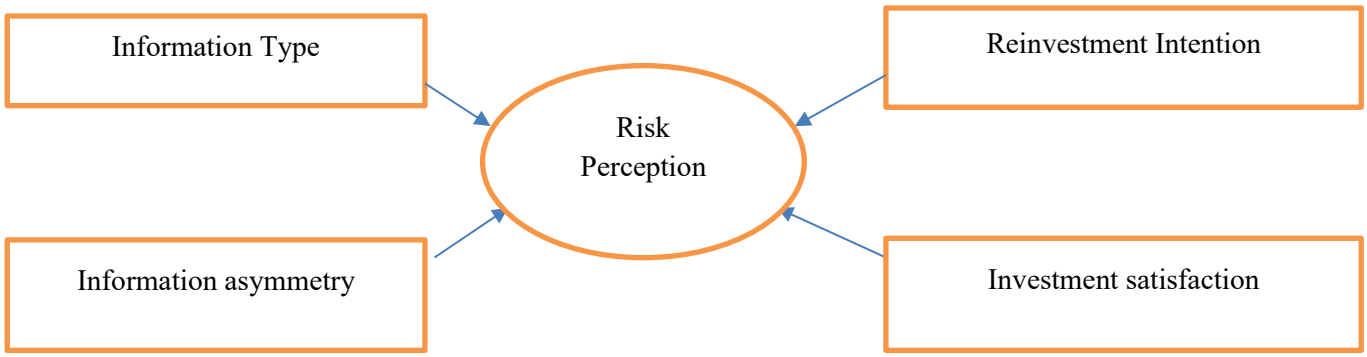
Pallathadka et.al. (2022), examines the perceptions of small retail investors in India towards stock market investment, concluding that their perceptions significantly impact their investment decisions.

Rao et.al. (2022), aims to provide basic stock market knowledge to novice investors and students, explaining the factors that impact market movements and investment decisions.

Somabhusana et.al. (2022), explores how investors perceive various investment schemes and the factors influencing their investment choices.

Shivam Kumar (2024) identifies the primary sources of stock market knowledge for investors, such as newspapers, television, and brokers, and examines their impact on investor perception.

Conceptual Model



In terms of the conceptual framework, we formulated four hypothesis as follows:
Hypothesis 1: Information type (i.e., different kinds of information concerning different risk sources) will have significant impact on risk perception.
Hypothesis 2: The information from the organizational/institutional level will reduce the risk perception of investors.
Hypothesis 3: Information asymmetry will increase risk perception of investors.
Hypothesis 4: Lower risk perception will lead to stronger reinvestment intention and higher investment satisfaction
Research Gap :-
Existing studies focus broadly on equity market trends, but limited research examines how individual investors perceive and interpret equity market risks and returns.Very few studies have analysed investor perception by connecting demographic factors with behavioural responses toward the equity market.Most research highlights market performance, but the psychological and perception-based factors influencing equity investment decisions remain underexplored.Prior studies rarely

ISSN (Online): 2455-3662
EPRA International Journal of Multidisciplinary Research (IJMR) - Peer Reviewed Journal
Volume: 11| Issue: 12| December 2025|| Journal DOI: 10.36713/epra2013 || SJIF Impact Factor 2025: 8.691 || ISI Value: 1.188

investigate how retail investors form perceptions about equity reliability, volatility, and future potential.There is a lack of studies that assess investor perception using both demographic and behavioural variables together in the context of equity markets.

Data Analysis Techniques

- Descriptive statistics
- Cross tabs
- Reliability analysis
- Chi-square test
- Symmetric measures

RESULTS

Crosstabs

			Age Group		
			Below 25 years	26-35 years	Total
Gender	Male	Count	48	12	60
		% Within Gender	80.0%	20.0%	100.0%
		% Within Age Group	57.1%	33.3%	50.0%
	Female	Count	36	24	60
		% Within Gender	60.0%	40.0%	100.0%
		% Within Age Group	42.9%	66.7%	50.0%
Total		Count	84	36	120
		% Within Gender	*70.0%*	*30.0%*	*100.0%*
		% Within Age Group	100.0%	100.0%	100.0%

The crosstab shows the distribution of respondents by gender and age group. A total of 120 respondents were surveyed, with equal numbers of males and females (60 each).Overall, 70% of respondents belong to the below 25 years age group, while 30% fall in the 26–35 years group. Among males, 80% are below 25 years and only 20% are in the 26–35 years category.This indicates higher male representation in the younger age group.Among females, 60% are below 25 years and 40% are aged 26–35 years.Females show relatively better representation in the 26–35 years group compared to males.Within the below 25 years group, males constitute 57.1% and females 42.9%. In the 26–35 years group, females dominate with 66.7% compared to 33.3% males.Overall, the results suggest a gender-wise variation across different age groups.

Chi-Square Tests

	Value	df	Asymptotic Significance (2-sided)	Exact Sig. (2-sided)	Exact Sig. (1-sided)
Pearson Chi-Square	5.714[a]	1	.017		
Continuity Correction[b]	4.802	1	.028		
Likelihood Ratio	5.798	1	.016		
Fisher's Exact Test				.028	.014
Linear-by-Linear Association	5.667	1	.017		
N of Valid Cases	120				

The Chi-Square test results indicate a **statistically significant association** between the variables under study (gender and age group). The **Pearson Chi-Square value is 5.714** with **1 degree of freedom**, and the **p-value is 0.017**, which is less than the 0.05 significance level. This suggests that gender and age group are not independent of each other.The **Continuity Correction value (p = 0.028)** and the **Likelihood Ratio (p = 0.016)** also support this finding, confirming the presence of a significant relationship. Additionally, **Fisher's Exact Test** shows a significant result (**p = 0.028 for two-sided and 0.014 for one-sided tests**), strengthening the reliability of the conclusion.The **Linear-by-Linear Association** is also significant (**p = 0.017**), indicating a meaningful trend between the variables. With **120 valid cases**, the analysis is based on an adequate sample size. Overall, the results confirm that there is a **significant relationship between gender and age group** in the study.

Symmetric Measures

		Value	Approximate Significance
Nominal by Nominal	Phi	.218	.017
	Cramer's V	.218	.017
N of Valid Cases		120	

ISSN (Online): 2455-3662
EPRA International Journal of Multidisciplinary Research (IJMR) - Peer Reviewed Journal
Volume: 11| Issue: 12| December 2025|| Journal DOI: 10.36713/epra2013 || SJIF Impact Factor 2025: 8.691 || ISI Value: 1.188

The symmetric measures indicate the **strength of association** between the two nominal variables, gender and age group. The **Phi value of 0.218** and **Cramer's V value of 0.218** suggest a **weak to moderate association** between the variables. The **approximate significance value of 0.017**, which is less than 0.05, shows that this association is **statistically significant**. This means that although the relationship between gender and age group is not very strong, it is meaningful and not due to chance. The analysis is based on **120 valid cases**, ensuring the reliability of the results.

Scale: ALL VARIABLEs

Case Processing Summary

		N	%
Cases	Valid	120	100.0
	Excluded[a]	0	.0
	Total	120	100.0

Reliability Statistics

Cronbach's Alpha	Cronbach's Alpha Based on Standardized Items	N of Items
.902	.905	13

The Reliability Statistics indicate a **very high level of internal consistency** among the items used in the scale. The **Cronbach's Alpha value of 0.902** (and **0.905 based on standardized items**) is well above the acceptable threshold of 0.70. This shows that the **13 items** included in the scale are highly reliable and consistently measure the same underlying construct. Therefore, the questionnaire used in the study can be considered **strong, dependable, and suitable for further statistical analysis**.

Item-wise Reliability Analysis

The item-wise analysis shows that all statements contribute meaningfully to the overall reliability of the scale. The corrected item–total correlation values are mostly above acceptable levels, indicating that each item is well aligned with the underlying construct of investor perception. A few items show comparatively lower correlations, but they still remain within permissible limits and do not weaken the scale.

The Cronbach's Alpha if item deleted values remain close to the overall alpha (0.902), suggesting that removing any single item would not significantly improve reliability. This confirms that all items are relevant and consistent. Overall, the scale demonstrates strong internal consistency, and all statements are appropriate for measuring investor perception towards the equity market.

Scale Statistics

Mean	Variance	Std. Deviation	N of Items
50.30	91.573	9.569	13

DISCUSSION

The analysis of the study shows that several risks should be perceived to pay attention to the makers of policymakers as it changes the perception of the investors in the financial market. The study shows that general risk tolerance is high for some invest ors operating in the financial market and financial advisers seek to rate general risk to obtain high return by reducing or ignoring the risk in the financial market (Aboagye & Jung, 2018). Generally, financial investors and their assessment of risk tactics vary along with the conditions of the market. It is a common belief in the cul tures that it tends to take more risk than the people while financial aspects have been discussed. It is added that high risk tolerant believes that risk-return and preferences are dependent on investors' behavior and a particular level of satisfaction possessed by an individual (Grable, 2017). The analysis of the study shows that there is a posi tive impact of satisfaction on the general risk to tolerance as well as a positive impact of satisfaction on the financial risk to tolerance.

CONCLUSION

The study found that investors have a **moderate level of awareness** about equity markets, but their understanding varies based on age, education, and investment experience. The analysis shows that investor perception is strongly shaped by factors such as **risk awareness, return expectations, market information, and trust in the market environment**. Furthermore, the study observed a **positive relationship between investor perception and investment decisions**—investors who have higher confidence, better awareness, and positive perception of the equity market are more likely to invest actively and allocate a larger portion of their savings to equities.Overall, the findings highlight that improving investor education, ensuring transparent market practices, and increasing access to reliable financial information can significantly enhance investor perception and encourage healthier participation in the equity market.

SCOPE FOR THE FURTHER STUDY

The scope for further study includes expanding the research to a larger and more diverse group of investors to gain deeper insights into their perceptions. Future studies can also compare beginner and experienced investors to understand behavioural

ISSN (Online): 2455-3662
EPRA International Journal of Multidisciplinary Research (IJMR) - Peer Reviewed Journal
Volume: 11| Issue: 12| December 2025|| Journal DOI: 10.36713/epra2013 || SJIF Impact Factor 2025: 8.691 || ISI Value: 1.188

differences. Examining the influence of major market events and the growing role of digital platforms in shaping investor perception can provide more clarity. A behavioural finance approach and a long-term analysis of changing perceptions may also strengthen future research in this area.

REFERENCES

1. *VENU GUJRATHI & SANJEEV KUMAR. (2023). THE STUDY ON PERCEPTION OF INVESTOR TOWARDS INDIAN STOCK MARKET. International Journal of Creative Research Thoughts, 2320-2882.*
2. *Vijayakumar, R. Jayashree. (2024). Investor's Perception Towards Investment in IPO : An Empirical Study. Innovation in Business Computing and Science for Sustainable Development.*
3. *B.AMARNATH REDDY. (2019). A STUDY ON INVESTORS PREFERENCE TOWARDS EQUITY MARKETS. Journal of Applied Science and Computations, 1076-5131.*
4. *Bhavik U. Swadia. (n.d.). A STUDY ON PERCEPTION OF INVESTOR TOWARDS PATTERN OF INVESTMENTWITH REFERENCE TO PRUDENT CORPORATE ADVISORY SERVICES LTD. International Journal of Multidisciplinary Research, 2348 - 9715.*
5. *Dr. Nilam Panchal1, Parth Langhneja2, Jigar Makwana3. (JUNE 2022). STUDY ON INVESTOR'S PERCEPTION TOWARDS TRADING IN EQUITY DERIVATIVES. International Journal of Management, Public Policy and Research, 2583-3014.*
6. *Dr. Santhosh Y, D. G. (2024). A STUDY ON INVESTORS PERCEPTION TOWARDS MID CAP, SMALL AND LARGE CAP INVESTMENTS WITH SPECIAL REFERENCE TO BANGALORE CITY. International Journal of Cultural Studies and Social Sciences, 2347-4777.*
7. *Dr. Somabhusana Janakiballav Mishra, Prof. Debasish Rout. (2022). A Study on Investors Perception towards Investment Plans in Bhubaneswar. International Journal of Research Publication and Reviews, 2582-7421.*
8. *Dr.M.Bhuvaneswari, Ms Josna Varghese. (2022). A Study on Investors Perception towards Initial Public Offering After covid 19. International Journal of Research Publication and Reviews, 2582-7421.*
9. *Dr.S.Hemalatha, Dr. G. JoicyLidwina. (2022). INVESTORS' PERCEPTION ON EQUITY INVESTMENT (A STUDY WITH REFERENCE TO SELECTED INDIVIDUALEQUITY INVESTORS IN CHENNAI) . : 0337-743X. Harikumar Pallathadka, Laxmi Kirana Pallathadka. (2022). An Empirical Study of Small Retail Investors in India on Investors' Perception of Investing in the Stock Market. Integrated Journal for Research in Arts and Humanities, PP. 168-174.*
10. *HARISH KUMAR, Dr. SILENDER SINGH. (2022). RETAIL INVESTORS INVESTMENT BEHAVIOUR IN INDIAN PRIMARY MARKET. INTERNATIONAL JOURNAL OF RESEARCH IN COMMERCE, IT & MANAGEMENT, 2231-5756.*
11. *Hemant Chauhan, Dr. Deepak Kaushal, Dr. Vandana Gandhi. (2023). Impact of Stock Market Scams and Bad News on Investors perception: A Quantitative Study of Retail Investors. Journal of Informatic Education and Research, 1526-4726.*
12. *Ibrahim Baugwala, Pratiksha Jogdand. (2021). A Study on Investors Perception towards the Stock Market. International Journal of Science and Research, 2319-7064.*
13. *Nirmal bang. (n.d.). Nirmal bang. com. Retrieved from https://www.nirmalbang.com/about-nirmalbang.aspx.*
14. *Padmalini Singh, Abhijit Das, Dwi Nita. (2021). A Study on Investors' Perceptions towards Stock Market. International Journal of Accounting & Finance in Asia Pasific, 2655-6502.*
15. *Pratik Pravin, Shailesh J. Parmar. (2024). Perception of Generation Z on Stock Market Investment in Rajkot City. Journal of Social Commerce , 2809-9303.*
16. *Prof. Ashalatha G.M, Ms. Latha J.S. (2023). AWARENESS AND PERCEPTION TOWARDS THE STOCK MARKET. International Journal of Creative Research Thoughts, 2320-2882.*
17. *Prof. Dr Iqbal Thonse Hawaldar, Dr. Habeeb Ur Rahiman. (2019). Investors Perception Towards Stock Market: An Exploratory Approach. INTERNATIONAL JOURNAL OF SCIENTIFIC & TECHNOLOGY RESEARCH, 2277-8616.*
18. *Prof. Dr. Mayur Rao , Somiyadharia , Nidhi Solanki . (2022). Study on Investor Perception towards Stock Market Investment. International Journal of Research Publication and Reviews, 2582-7421.*
19. *Shinki K Pandey, Abhishek Vishwakarma. (2020). A STUDY ON INVESTMENT PREFERENCES OF YOUNG INVESTORS IN THE CITY OF RAIPUR CHHATTISGARH, INDIA. Journal Of Archaeology Of Egypt/Egyptology, 1567-214x.*
20. *Shivam Kumar. (2024). INVESTOR PERCEPTION TOWARDS THE STOCK MARKET. International Journal of Scientific Research in Engineering and Management, 2582-3930*
21. *Sinthiya, R. H. G. (2024). A study on reliability of news shared in social media platforms (with reference to whatsapp users). 1(1).*
22. *Abhishek, K. (2024, February 13). 15 Biggest Stockbrokers in India With Highest Active Clients - Trade Brains. Trade Brains. https://tradebrains.in/biggest-stockbrokers-india-with-highest-clients/ 176 Nirmal Bang, one of the leading stock broking firm in India. (n.d.). Nirmal Bang. https://www.nirmalbang.com/about-nirmalbang.aspx*
23. *Nirmal Bang Review 2024 | Brokerage Charges, Margin, Demat Account. (n.d.). https://www.chittorgarh.com/stockbroker/nirmal_bang/37*